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合 生 創 展 集 團 有 限 公 司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 754)

**ISSUE OF 200,600,000 NEW SHARES TO STRATEGIC INVESTORS
AND
RESUMPTION OF TRADING**

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ASIA - PACIFIC MARKETS

Joint Financial Advisers to Hopson Development Holdings Limited

On 9 August 2005, the Company entered into the Subscription Agreements with two strategic investors, Aranda (an indirect wholly-owned subsidiary of Temasek) and Tiger (a fund managed by Tiger Global Management). Mr. Chu and Sounda, the controlling shareholder of the Company, also entered into the Shareholders' Agreements with those two Strategic Investors.

Pursuant to the terms of the Subscription Agreements, the Company will issue and the Strategic Investors will subscribe for the New Shares at an issue price per New Share of HK\$4.875.

The New Shares will be issued and allotted under the general mandate granted to the Directors at the annual general meeting of the Company held on 6 June 2005.

Trading in the Shares was suspended at 9.43 a.m. on 9 August 2005 on the Stock Exchange at the request of the Company, and application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 11 August 2005.

SUBSCRIPTION AGREEMENTS

Subscription

On 9 August 2005, the Company entered into the Aranda Subscription Agreement with Aranda (an indirect wholly-owned subsidiary of Temasek) and the Tiger Subscription Agreement with Tiger (a US\$1.2 billion investment fund managed by Tiger Global Management).

CSFB and CLSA acted as joint financial advisers to the Company in respect of the Subscription.

Pursuant to the Subscription Agreements, the Company has agreed to issue and each of the Strategic Investors has respectively agreed to subscribe for 100,300,000 new Shares (i.e. 200,600,000 new Shares in aggregate) at the Issue Price.

The New Shares in aggregate, on issue, will represent approximately 20.0% of the existing issued share capital of the Company and approximately 16.7% of the Company's issued share capital as to be enlarged by the Subscription. The aggregate nominal value of the New Shares will amount to HK\$20,060,000. The New Shares, when issued and fully paid, will rank pari passu in all respects with the Shares in issue.

Issue Price

The Issue Price of HK\$4.875 per New Share represents:

- (i) a discount of approximately 6.25% to the closing price of HK\$5.20 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (ii) a premium of approximately 9.18% to the average of the closing prices per Share, of HK\$4.465, as quoted on the Stock Exchange for the last 10 trading days ended on the Latest Practicable Date; and
- (iii) a premium of approximately 50.28% when compared with the net asset value per Share of HK\$3.244 as at 31 December 2004, the date of the latest published audited financial statements of the Company (based on the 2004 annual report of the Company).

Condition of the Subscription

Completion of the Subscription by each of Aranda and Tiger is conditional upon the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Aranda New Shares and the Tiger New Shares respectively (and such listing and permission not subsequently revoked prior to the issue of the Aranda New Shares and the Tiger New Shares pursuant to the Subscription Agreements respectively).

If the above condition is not fulfilled within 21 days after the date of signing of the Subscription Agreements or such later date as may be agreed between the Company and Aranda and Tiger respectively, the Aranda Subscription Agreement and the Tiger Subscription Agreement will terminate.

Termination

Under each Subscription Agreement, if, inter alia, at any time prior to 9:30 a.m. (Hong Kong time) on the Closing Date:

- (i) any material breach of any of the representations, warranties and undertakings by the Company set out in the relevant Subscription Agreement occurs or comes to the knowledge of the relevant Strategic Investor or any event occurs or any matter arises on or after the date of that agreement and prior to the Closing Date which if it had occurred or arisen before the date of that agreement would have rendered any of such representations, warranties and undertaking untrue or incorrect in any material respect or there has been a material breach of or failure to perform any other material provision of the relevant Subscription Agreement on the part of the Company; or
- (ii) there is any material adverse change in the financial and trading position of the Group as a whole.

then and in any such case, the relevant Strategic Investor may terminate its Subscription Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 9:30 a.m. (Hong Kong time) on the Closing Date. If such termination notice is given, that Subscription Agreement will terminate and be of no further effect and no party will be under any liability to the other, except that the termination will not relieve any party for any breach of that Subscription Agreement prior to such termination

Completion of the Subscription

Completion of the Subscription under each Subscription Agreement is expected to take place on the Closing Date.

Mandate to issue the New Shares

The New Shares will be issued and allotted under the general mandate granted to the Directors at the annual general meeting of the Company held on 6 June 2005. The issue of the New Shares is within the authority granted under such general mandate. No Share has been issued or allotted under the general mandate as at the date of this announcement. The Company has not raised any fund on any issue of equity securities in the 12 months immediately preceding this announcement.

Board Representation

The Company regards each Strategic Investor as its strategic partner. In connection with this, the Company has agreed to grant each Strategic Investor the right to nominate one non-executive director to the Board and to Aranda the right to nominate a second person to attend and be present at meetings of the Board and of any board committee of the Company as an observer.

Pursuant to the terms of each Subscription Agreement, the Strategic Investor has such nomination right so long as the aggregate number of Shares beneficially held by the Strategic Investor and/or its nominees and/or permitted assignees does not fall below 60,180,000 Shares. In addition, Aranda has the right to require the Company, subject to the approval of the Board, to place its board nominee on the audit committee of the Company.

The Company considers that the grant of such rights will promote exchange between itself and the Strategic Investors, and provide the Company with greater exposure to international market practices and experience, which will in turn help to bolster the Company's corporate governance and promote the sound, long-term development of the Company.

Lock-up and Standstill

Save for transfers expressly permitted in the relevant Subscription Agreement, each Strategic Investor has agreed not to (and has agreed to procure a permitted transferee of its New Shares not to) dispose of New Shares from the date of signing of that Subscription Agreement and: (i) ending on the date that Subscription Agreement is terminated; or (ii) if completion of the Subscription takes place, for a period of 6 months commencing immediately after the Closing Date (in the case of the Aranda Subscription Agreement) or a period of 12 months commencing immediately after the Closing Date (in the case of the Tiger Subscription Agreement).

In addition, the lock-up provision in relation to Aranda will cease to apply immediately following: (i) the resignation or cessation of office of any one or more of Mr Chu, Mr Wu and Mr Tam from the Board; or (ii) the resignation or cessation of office of any two of the independent non-executive directors within 30 days of each other from the Board.

Further, under the Aranda Subscription Agreement, Aranda has agreed not to, and has agreed to procure the members of the Aranda group involved in the transaction contemplated by the Aranda Subscription Agreement (so far as it is reasonably able to do so) not to, for a period of one year from the date of the Aranda Subscription Agreement, without the prior written consent of the Company; (i) acquire or seek to acquire; or (ii) enter into any arrangement with, or advise, any person in relation to acquiring or seeking to acquire, an interest (as defined in Part XV of the Securities and Futures Ordinance) in the share capital of the Company.

Under the Tiger Subscription Agreement, Tiger has agreed not to, and has agreed to procure its affiliates (other than a permitted transferee pursuant to the Tiger Subscription Agreement) not to: (i) for a period commencing upon signing of the Tiger Subscription Agreement and ending on 31 March 2006; or (ii) if completion of the Subscription takes place, for 12 months commencing immediately after the Closing Date, without the prior written consent of the Company, acquire or seek to acquire an interest in the share capital of the Company (except for acquisitions which in the aggregate do not represent more than 5% of the fully-diluted share capital of the Company).

SHAREHOLDERS' AGREEMENTS

On 9 August 2005, Sounda and Mr Chu entered into the Shareholders' Agreements with Aranda and Tiger respectively.

Each Shareholders' Agreement will become effective upon the completion of the relevant Subscription. The Shareholders' Agreements and the Subscription Agreements are not inter-conditional. Under each Shareholders' Agreement, Sounda has agreed (and Mr Chu has agreed to procure Sounda) not to dispose of Shares beneficially owned by Sounda from the signing of the Shareholders' Agreement and: (i) ending on the date of the termination of the Shareholders' Agreement; or (ii) if completion of the relevant Subscription takes place, for a period of 6 months commencing immediately after the Closing Date.

In addition, under the Shareholders' Agreement, if Sounda and/or Mr Chu propose to dispose of its/his Shares on a bona fide arm's length sale to a third party purchaser such that the aggregate number of Shares beneficially held by Sounda would immediately following the completion of such sale fall below or would continue to remain below 50% of the aggregate number of Shares in issue from time to time, Sounda must ensure that the third party purchaser offers to buy from the Strategic Investor all (if Sounda's shareholding would fall below 30%) or a pro-rata number (if Sounda's shareholding would fall below 50% but above 30%) of the New Shares beneficially owned by the Strategic Investor, on the same terms as the disposal to the third party. Such tag-along provisions will not apply: (i) in the case of any top-up placing and subscription of Shares as described in Chapter 14A of the Listing Rules; (ii) in the case of any dilution of Sounda's shareholding as a result of an issue of Shares by the Company; or (iii) if the Strategic Investor owns less than 10,000,000 Shares (unless Sounda's shareholding would fall below 30% of Shares in issue after completion of such proposed sale). The tag-along provisions will cease to apply 5 years after the Closing Date.

INFORMATION ON STRATEGIC INVESTORS

Aranda is an indirect wholly-owned subsidiary of Temasek. Temasek is an Asia investment company headquartered in Singapore with a diversified global investment portfolio of approximately US\$54 billion. Its investments are in a range of industries: telecommunications and media, financial services, property, transportation and logistics, energy and resources, infrastructure, engineering and technology, as well as pharmaceuticals and biosciences.

Tiger is an investment fund with over US\$1.2 billion in assets that targets both publicly-traded and private investment opportunities worldwide. With offices in New York and Beijing, Tiger seeks to work with market leading companies with strong management teams, high returns on capital, and solid growth prospects. Tiger currently has investments in countries including the United States, China, India, South Korea, Egypt, England, Japan, Russia and Romania.

To the best of knowledge of the Directors, the Strategic Investors and their ultimate beneficial owners are third parties independent of the Company and are not connected persons (as defined in the Listing Rules) of the Company.

SHAREHOLDING STRUCTURE BEFORE AND AFTER COMPLETION OF THE SUBSCRIPTION

The table below sets out the shareholding structures of the Company before and upon completion of the Subscription:

Shareholder	Shareholding as at the Latest Practicable Date*		Shareholding upon completion of the Subscription*	
	Number of Shares	%	Number of Shares	%
Mr Chu Mang Yee/ Sounda**	637,500,000	63.56	637,500,000	52.97
Mr Au Wai Kin***	37,500,000	3.74	37,500,000	3.12
Mr Xiang Bin***	1,000,000	0.10	1,000,000	0.08
Miss Xiao Yan Xia***	100,000	0.01	100,000	0.01
Aranda	–	–	100,300,000	8.33
Tiger	–	–	100,300,000	8.33
Public shareholders	326,900,000	32.59	326,900,000	27.16
Total	<u>1,003,000,000</u>	<u>100.00</u>	<u>1,203,600,000</u>	<u>100.00</u>

* *It is assumed that no share option granted under the Share Option Scheme has been or is exercised.*

** *Mr Chu held 637,500,000 Shares of the Company through Sounda, a company wholly-owned by him.*

*** *Directors.*

REASONS FOR AND BENEFIT OF THE SUBSCRIPTION AND THE USE OF PROCEEDS

The Subscription is the result of the Company's development strategy to seek internationally reputable investors to diversify the Company's shareholder base.

Pursuant to the Subscription Agreements, the Strategic Investors have agreed to subscribe for approximately 20% of the issued share capital of the Company. The Subscription demonstrates the commitment of each of the Strategic Investors to maintain a close, long-term relationship as co-operative strategic partners with the Company. The Strategic Investors are expected to enhance the Company's corporate governance and promote the reputation of the Company.

The net proceeds of the Subscription are estimated to be approximately HK\$957,366,500, based on which the net subscription price per New Share will be approximately HK\$4.773. As at 31 December 2004, the total borrowings of the Group amounted to HK\$3,506 million (based on the 2004 Annual Report of the Company). The proceeds will be used for repayment of a portion of the Company's existing debt, general working capital and expansion of the PRC property business.

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the New Shares on the Stock Exchange.

GENERAL

Trading in the Shares was suspended at 9:43 a.m. on 9 August 2005 on the Stock Exchange at the request of the Company, and application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 11 August 2005.

DEFINITIONS

“Aranda”	Aranda Investments Pte Ltd, a company incorporated in Singapore and an indirect wholly-owned subsidiary of Temasek
“Aranda New Shares”	100,300,000 new Shares to be issued to Aranda pursuant to the Aranda Subscription Agreement
“Aranda Shareholders’ Agreement”	the shareholders’ agreement dated 9 August 2005 entered into by Sounda, Mr Chu and Aranda
“Aranda Subscription Agreement”	the subscription agreement dated 9 August 2005 entered into by the Company and Aranda in relation to the subscription of 100,300,000 new Shares by Aranda
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday) on which banks generally are open for business in Hong Kong and/or Singapore
“Closing Date”	the second Business Day after the date upon the condition set out in the Subscription Agreements respectively has been satisfied
“CLSA”	CLSA Equity Capital Markets Limited
“Company”	Hopson Development Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“CSFB”	Credit Suisse First Boston (Hong Kong) Limited
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Price”	HK\$4.875 per New Share

“Latest Practicable Date”	8 August 2005, being the latest practicable date prior to the issue of this announcement for the purpose of ascertaining certain information contained in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr Chu”	Mr Chu Mang Yee, the Chairman and an executive director of the Company
“Mr Tam”	Mr Tam Lai Ling, the Deputy Managing Director and the Chief Financial Officer and an executive director of the Company
“Mr Wu”	Mr Wu Jiesi, the Managing Director and an executive director of the Company
“New Shares”	the Aranda New Shares and the Tiger New Shares (each a “New Share”);
“Shareholders’ Agreements”	the Aranda Shareholders’ Agreement and the Tiger Shareholders’ Agreement
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted at the special general meeting of the Company held on 4 November 2002
“Sounda”	Sounda Properties Limited, a company incorporated in the British Virgins Islands, being the controlling shareholder of the Company and a company wholly-owned by Mr. Chu
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Investors”	Aranda and Tiger (each a “Strategic Investor”)
“Subscription”	the subscription by the Strategic Investors for the New Shares pursuant to the Subscription Agreements
“Subscription Agreements”	the Aranda Subscription Agreement and the Tiger Subscription Agreement (each a “Subscription Agreement”)
“Temasek”	Temasek Holdings (Private) Limited, an Asia investment company headquartered in Singapore
“Tiger”	Tiger Global L.P. (formerly known as Tiger Technology, L.P.), a limited liability partnership organised in Delaware and a fund managed by Tiger Global Management
“Tiger Global Management”	Tiger Global Management, LLC, being an investment fund managing over US\$1.5 billion in assets through various investment vehicles

“Tiger New Shares”	100,300,000 new Shares to be issued to Tiger pursuant to the Tiger Subscription Agreement
“Tiger Shareholders’ Agreement”	the shareholders’ agreement dated 9 August 2005 entered into by Sounda, Mr Chu and Tiger
“Tiger Subscription Agreement”	the subscription agreement dated 9 August 2005 entered into by the Company and Tiger in relation to the subscription of 100,300,000 new Shares by Tiger

By Order of the Board
Hopson Development Holdings Limited
Chu Mang Yee
Chairman

Hong Kong, 10 August 2005

As at the date of this announcement, the Board is composed of 11 directors. The executive directors are Mr Chu Mang Yee (Chairman), Mr Xiang Bin, Mr Wu Jiesi, Mr Tam Lai Ling, Mr Au Wai Kin, Mr Chen Chang Ying and Miss Xiao Yan Xia; the non-executive director is Mr Steven Shafran; and the independent non-executive directors are Mr Yuen Pak Yiu, Philip, Mr Lee Tsung Hei, David and Mr Wong Shing Kay, Oliver.

** For identification purpose only*

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Journal.*