



# 合生創展集團有限公司\*

## HOPSON DEVELOPMENT HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 754)

### PROPOSED US\$ DENOMINATED SENIOR NOTES ISSUE

The Company wishes to announce the proposal to issue the Notes and certain additional financial information not previously announced to the Company's shareholders. The Company is currently considering a proposed financing through the issue of US\$ denominated senior notes. The terms of the Notes, including their principal amount, coupon and tenor, have yet to be determined.

The Notes will be guaranteed by certain subsidiaries of the Company. In addition, the Company and certain of its subsidiaries intend to pledge the shares of all or some of their subsidiaries held by them for the benefit of the holders of the Notes on a first priority basis.

The directors of the Company believe that the proposed Issue will be beneficial to the Company since it will allow the Company to obtain long-term financing from international investors and to improve its capital structure. The net proceeds from the issue of the Notes will be used for general corporate purposes (including land acquisitions and property development).

A Preliminary Offering Circular in respect of the proposed Issue has been prepared for distribution to selected professional investors. The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be offered to any connected person (as defined in the Listing Rules) of the Company. Since the Preliminary Offering Circular will disclose certain information which has not been previously furnished to the Company's shareholders, extracts of such information from the Preliminary Offering Circular are set out below.

As the documentation relating to the Issue is subject to negotiation and finalisation, the Company may or may not proceed with the Issue. Further, as the Preliminary Offering Circular is subject to completion and amendment, the information in this announcement is subject to final completion. Accordingly, shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares of the Company.

#### PROPOSED ISSUE OF NOTES

The directors of the Company wish to announce that the Company is currently considering an issue of Notes. The terms of the Notes, including their principal amount, coupon and tenor, have yet to be determined. If the Company decides to proceed with the proposed Issue, pricing of the Notes is expected to take place in November 2005. The Notes will be guaranteed by certain subsidiaries of the Company. In addition, the Company and certain of its subsidiaries intend to pledge the shares of all or some of their subsidiaries held by them for the benefit of the holders of the Notes on a first priority basis.

The directors of the Company believe that the proposed Issue will be beneficial to the Company since it will allow the Company to obtain long-term financing from international investors and to improve its capital structure. The net proceeds from the Issue will be used for general corporate purposes (including land acquisitions and property development).

Approval in-principle has been received for the listing of the Notes on the Singapore Exchange. Such approval and the admission of the Notes to the Official List of the Singapore Exchange is not to be taken as an indication of the merits of the Company or the Notes. The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be offered to any connected person (as defined in the Listing Rules) of the Company.

The Company will make a further announcement if and when the exact terms of the proposed Issue have been finalised. As the documentation relating to the proposed Issue is subject to negotiation and finalisation, the Company may or may not proceed with the Issue. Accordingly, shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares of the Company.

A Preliminary Offering Circular in respect of the proposed Issue has been prepared for distribution to selected professional investors. Since the Preliminary Offering Circular will disclose certain information which has not been previously furnished to the Company's shareholders, extracts of such information from the Preliminary Offering Circular are set out below for the general information of shareholders. As the Preliminary Offering Circular is subject to completion and amendment, the information in this announcement is subject to final completion.

#### EXTRACTS OF INFORMATION FROM THE PRELIMINARY OFFERING CIRCULAR NOT PREVIOUSLY DISCLOSED TO THE COMPANY'S SHAREHOLDERS

##### Indebtedness

Based on the management accounts of the Company, as at 30 September 2005, the Company's unaudited consolidated short-term borrowings (comprising bank and other borrowings — current portion) and unaudited consolidated long-term borrowings (comprising bank and other borrowings — non-current portion) amounted to HK\$3,189.9 million and HK\$2,092.1 million, respectively.

##### Adjusted Audited Financial Information

The Company has changed certain of its accounting policies following its adoption of the new HKFRS which are effective for accounting periods commencing on or after 1 January 2005. These changes are more fully described in the Company's announcement dated 13 September 2005.

The following tables set forth certain comparative consolidated financial information of the Company as at and for the years ended 31 December 2002, 2003 and 2004 which are based on the published audited consolidated financial statements of the Company and adjusted pursuant to the transitional provisions of the new HKFRS:

	For the Year ended 31 December		
	2002	2003	2004
(HK\$ in millions)			
<b>Consolidated Income Statement Data</b>			
Revenue	2,394.1	2,511.6	3,973.2
Profit before taxation	466.2	302.7	816.1
Taxation	(183.9)	(101.1)	(298.3)
Profit for the period	282.3	201.6	517.8
Profit attributable to:			
— Equity holders of the Company	243.3	168.9	432.8
— Minority interest	39.0	32.7	85.0
Earnings per share:			
— Basic	0.24	0.17	0.43
— Diluted	0.24	0.17	0.43

As at 31 December  
2002 2003 2004  
(HK\$ in millions)

##### Consolidated Balance Sheet Data

Total non-current assets	4,166.6	4,846.9	5,075.2
Total current assets	4,824.1	6,281.8	9,024.8
Total non-current liabilities	1,679.6	2,316.3	2,231.7
Total current liabilities	4,416.2	5,678.1	8,539.5
Total equity	2,894.9	3,134.3	3,328.8

For the Year ended  
31 December  
2002 2003 2004  
(HK\$ in millions)

##### Consolidated Cash Flow Data

Net cash generated from operating activities	34.0	294.7	1,065.4
Net cash used in investing activities	(1,158.3)	(923.4)	(1,250.5)
Net cash generated from financing activities	1,046.0	770.8	312.8
Cash and cash equivalents at end of the period	208.4	350.2	478.0

##### Sales Breakdown

For the years ended 31 December 2002, 2003 and 2004, the gross floor area of properties delivered by the Company and its subsidiaries was 500,903 square meters, 553,143 square meters and 743,590 square meters, respectively, and the average unit selling price for properties delivered was HK\$4,675 per sq.m., HK\$4,358 per sq.m. and HK\$5,176 per sq.m., respectively.

##### DEFINITIONS

"Company"	Hopson Development Holdings Limited
"Singapore Exchange"	Singapore Exchange Securities Trading Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Issue"	the proposed issue of the Notes
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"new HKFRS"	the new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards which are effective for accounting periods commencing on or after 1 January 2005
"Notes"	US\$ denominated senior notes
"Preliminary Offering Circular"	the preliminary offering circular in connection with the issue and offering of the Notes
"Securities Act"	U.S. Securities Act of 1933, as amended
"Shares"	ordinary shares of HK\$0.10 each in the share capital of the Company

On behalf of the Board  
Hopson Development Holdings Limited  
Chu Mang Yee  
Chairman

Hong Kong, 21 October 2005

As at the date of this announcement, the board of directors of the Company is composed of 12 directors. The executive directors are Mr Chu Mang Yee (Chairman), Mr Wu Jiesi, Mr Xiang Bin, Mr Tam Lai Ling, Mr Au Wai Kin, Mr Chen Chang Ying and Ms Xiao Yan Xia; the non-executive directors are Mr Steven Shafran and Ms Chen Xiaohong 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 purposes only

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