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合 生 創 展 集 團 有 限 公 司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

(Stock Code: 754)

(Incorporated in Bermuda with limited liability)

**ANNOUNCEMENT
DISCLOSEABLE AND CONNECTED TRANSACTION**

Summary

The Board is pleased to announce that, on 22 June 2007, the Company entered into a Share Purchase Agreement with the Seller pursuant to which the Seller agrees to sell and assign to the Company, and the Company agrees to acquire the Sale Shares and take assignment of the Shareholder's Loans. The Total Consideration is HK\$6,000 million.

The Seller is a substantial shareholder of the Company and is therefore a connected person to the Company under the Listing Rules. The Acquisition constitutes a discloseable and connected transaction for the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Completion is conditional upon, inter alia, the approval of the Independent Shareholders voting at the EGM. The Seller and its associates will abstain from voting and the vote will be taken by poll.

Details of the Share Purchase Agreement are set out in this announcement. The Circular containing, inter alia, further details of the Share Purchase Agreement, property valuation report on Phase II, advice from the Independent Board Committee and the Independent Financial Adviser and notice of the EGM, will be despatched to the Shareholders as soon as practicable.

The Board (excluding the independent non-executive Directors) considers that the Acquisition is in the ordinary and usual course of business of the Group and the terms of the Acquisition have been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable in so far as the interests of the Company and the Shareholders as a whole are concerned. The advice and recommendation from the independent non-executive Directors (i.e. members of the Independent Board Committee) will be set out in the Circular, after receiving advice from the Independent Financial Adviser.

THE SHARE PURCHASE AGREEMENT

Date

22 June 2007

Parties

Seller: the Seller

Purchaser: the Company

Interests to be Acquired

The Sale Shares and the Shareholder's Loans

Consideration

The Total Consideration is HK\$6,000 million, which is payable in the following manner:

- (i) an amount of HK\$4,000 million, representing 66.67% of the Total Consideration, will be paid by the issue of the Consideration Shares at the Issue Price of HK\$21.95 per Share, which was determined by the parties after arm's length negotiation on normal commercial terms and having taking into reference the average closing price of each Share on the Stock Exchange for the last 5 trading days immediately preceding the date of execution of the Share Purchase Agreement (i.e. the Average Closing Price). The Issue Price represents a discount of 0.3% to the Average Closing Price and a discount of 7.8% to the closing price of the Shares (i.e. HK\$23.80) as at the date of this announcement. The Consideration Shares will be issued on the Completion Date free from all encumbrances to the Seller. The Consideration Shares will rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or before the Completion Date; and
- (ii) an amount of HK\$2,000 million, representing 33.33% of the Total Consideration, will be paid in cash in three instalments (the "**Cash Consideration**"):
 - the First Cash Consideration (i.e. HK\$1,000 million) to be paid upon Completion;
 - the Second Cash Consideration (i.e. HK\$500 million) to be paid within two months of Completion;
 - the Third Cash Consideration (i.e. HK\$500 million) to be paid within 14 Business Days after the Obligations (as defined below) have been performed or satisfied pursuant to the Share Purchase Agreement.

The Seller is to assign the Shareholder's Loans at the same time when the Third Cash Consideration is paid.

Basis of the Total Consideration

The Total Consideration was determined on the basis of normal commercial terms and arm's length negotiation between the parties thereto with reference to, *inter alia*, the preliminary valuation report prepared by DTZ Debenham Tie Leung Limited which valued Phase II at approximately RMB7,700 million (approximately HK\$7,857 million) as at 31 May 2007 (on the assumptions that, among others, all land premium and land fees (including the costs concerning the Construction Land Demolition and the Greenfield Sites Demolition for Phase II) were fully settled and the legal title has been obtained). Based on the above, 80% interest in Phase II was valued at approximately HK\$6,286 million. The Cash Consideration will be funded by internal resources of the Group.

According to the preliminary discussions between Beijing XJR and the Beijing Municipal Bureau of State Land and Resources, the total land premium was approximately RMB840 million, of which RMB220 million has been paid. The outstanding land premium was approximately RMB620 million as at the date of this announcement. The outstanding land fees include the Demolition costs and all other fees that may be payable in connection with the grant of land use right certificate to Beijing XJR (such other fees can only be ascertained after completion of the Demolition). Such outstanding land premium and land fees will be borne by the Seller via the provision of the Shareholder's Loans which will be subsequently assigned to the Company on the Third Cash Consideration Date. As advised by the Company's PRC legal advisers, the PRC government owned the legal title to Phase II as at the date of this announcement. It is expected that upon payment of such outstanding land premium and land fees and compliance with the relevant procedures under the PRC law, Beijing XJR will obtain the legal title to Phase II.

Pursuant to an agreement between the Seller and the original owners of Phase II (the "Original Phase II Owners") executed in September 2005, the Seller agreed to acquire Phase II at RMB1,000 million. The Seller, via Believe Best, acquired and completed the purchase of 100% of the issued share capital of Ji Run in May 2007 (the "Original Purchase").

Phase II was currently occupied by local residents and the Demolition works in respect of Phase II (including relocating existing residents) must be completed and various conditions such as the Obligations (as defined below) have to be fulfilled before Phase II can be further developed by the Group after the Acquisition. In connection with the Original Purchase, the Seller agreed with the Original Phase II Owners that Beijing XJR would carry out the Demolition works in relation to the Jing Run Project by 31 December 2007 or such other date as determined by the Beijing Municipal Commission of Urban Planning or relevant government authorities. The commercial agreement of Beijing XJR carrying out and completing the Greenfield Sites Demolition in respect of Phase I was factored in the pricing of the Original Purchase. The Demolition costs are estimated by 北京海基偉業房地產評估事務所, a professional and independent valuer, at approximately RMB4,802 million as at 28 April 2007, of which approximately RMB3,091 million relates to Phase II. Under the Share Purchase Agreement, the Sellers will be responsible for the Demolition costs by way of providing the Shareholder's Loans which will be subsequently assigned to the Company on the Third Consideration Payment Date. The Total Consideration was agreed between the parties after considering the value of Phase II and the Demolition costs involved.

Conditions Precedent

Completion is conditional upon fulfilment of, *inter alia*, the following conditions:

- (i) the passing of an ordinary resolution by the Independent Shareholders (including the issue of the Consideration Shares pursuant to a specific mandate to be sought at the EGM) approving the Acquisition pursuant to the Listing Rules;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares;
- (iii) none of Believe Best, Ji Run or Beijing XJR is involved in any claim, legal action, proceeding, suit, litigation prosecution, investigation or enquiry or arbitration (pending or threatened by or against them) which is material to the running of their respective businesses;
- (iv) the issuance of a legal opinion by a qualified PRC legal counsel confirming the status of the following:
 - (a) title to Phase II;
 - (b) payment of deed taxes connected with acquisition of Phase II;
 - (c) planning permission relating to Phase II;

- (d) other permissions required in relation to Phase II;
 - (v) a valuation report on Phase II issued by a professional and independent valuer; and
 - (vi) a report issued by a professional and independent valuer on the costs of Demolition concerning Phase II,
- (together, the “**Conditions**”).

If any of the Conditions is not satisfied on or before 30 September 2007 (or such later date as the Company and the Seller may agree), the Seller and the Company may terminate the Share Purchase Agreement.

Completion

Completion will take place on such date as may be agreed between the Company and the Seller, being not later than 7 Business Days after the Conditions have been fulfilled or waived. Completion does not depend upon fulfilment of the Obligations (as defined below) and/or payment of the Second Cash Consideration and the Third Cash Consideration. The Sale Shares to be acquired by the Company are not subject to any restriction on subsequent sale.

Effect on Shareholding Structure of the Company

As at the date of this announcement, the Seller holds via Sounda approximately 53.29% of the Existing Share Capital. According to the register kept by the Company under section 336 of the Securities and Futures Ordinance as at the date of this announcement, save for the shareholdings held by the Directors, the remaining approximately 43.79% of the Existing Share Capital is held by the public Shareholders. Upon Completion, 182,232,346 Consideration Shares (representing 14.15% of the Existing Share Capital or 12.39% of the Enlarged Share Capital) will be issued to the Seller. Immediately following the Completion and assuming that there will be no change in the shareholding of the Company up and including the Completion Date (other than the issue of the Consideration Shares) and without taking into account the Bonds, the Seller will hold approximately 59.08%, and the public Shareholders will hold approximately 38.36% of the Enlarged Share Capital.

For the information of the Shareholders, the Company issued the USD settled zero coupon convertible bonds (i.e. the Bonds) in the aggregate principal amount of RMB1,830.4 million in January 2007 which confer on the bondholders a right to convert the Bonds into 61,107,715 Shares (assuming the Bonds are fully converted into Shares at the initial conversion price of HK\$30.08 per Share with a fixed exchange rate of HK\$1 = RMB0.9958). Details of the Bonds have been set out in the announcement of the Company dated 19 January 2007.

The following table summarises the effect on the shareholding structure of the Company as a result of the issue of the Consideration Shares:

Name of Shareholder	Existing Share Capital (without taking into account the Bonds)		Enlarged Share Capital immediately after Completion (without taking into account the Bonds)		Enlarged Share Capital immediately after Completion (assuming the Bonds are fully converted into Shares at the initial conversion price of HK\$30.08 per Share with a fixed exchange rate of HK\$1 = RMB0.9958)	
	No. of Shares	% of the issued share capital of the Company	No. of Shares	% of the issued share capital of the Company	No. of Shares	% of the issued share capital of the Company
The Seller*/Sounda	686,400,000	53.29%	868,632,346	59.08%	868,632,346	56.72%
Mr. Au Wai Kin*	34,500,000	2.68%	34,500,000	2.35%	34,500,000	2.25%
Ms. Xiao Yan Xia*	30,000	0.01%**	30,000	0.01%**	30,000	0.01%**
Mr. Steven Shafran*	3,000,000	0.23%	3,000,000	0.20%	3,000,000	0.20%
Existing public Shareholders	564,170,000	43.79%	564,170,000	38.36%	564,170,000	36.83%
Bondholders	—	—	—	—	61,107,715	3.99%
	<u>1,288,100,000</u>	<u>100%</u>	<u>1,470,332,346</u>	<u>100%</u>	<u>1,531,440,061</u>	<u>100%</u>

Notes:

* The Seller, Mr. Au, Ms. Xiao and Mr. Shafran are Directors.

** The figures have been rounded up for illustration purpose.

The Consideration Shares are proposed to be issued pursuant to a specific mandate to be sought at the EGM. An application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Consideration Shares. There is no restriction on subsequent sale of the Consideration Shares.

BACKGROUND OF THE ACQUISITION AND DETAILS OF PHASE II

Phase II is situated in No. 18 Xiaoyun Road, Chaoyang District of Beijing and occupies approximately 200,000 square meters with a planned gross floor area of 700,000 square meters. According to the planning permission certificate (the “**Planning Permission Certificate**”) dated 10 April 2007 and other relevant approval documents issued by the Beijing Municipal Commission of Urban Planning, Beijing XJR has the right to develop Phase II in accordance with the regulations prescribed in the Planning Permission Certificate. As at the date of this announcement, the Seller holds 100% of the issued share capital of Believe Best which in turn holds 100% of the issued share capital of Ji Run. The sole asset of Ji Run is its 100% interest in the registered capital of Beijing XJR. Save for the right to develop Phase II, the Demolition obligations and the Shareholder’s Loans, none of the Believe Best Group Companies has other assets or liabilities as at the date of this announcement. As mentioned in the paragraph headed “Basis of the Total Consideration”, the Seller, via Believe Best, acquired and completed the purchase (the “**Original Purchase**”) of 100% of the issued share capital of Ji Run in May 2007 (i.e. the Original Purchase) for a consideration of RMB1,000 million.

The Original Phase II Owners owned Old Jing Run. To the best of the Directors’ knowledge, having made reasonable enquiry, the Original Phase II Owners and their ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company. Old Jing Run undertook to the Beijing Municipal Commission of Urban Planning that it would carry out and complete the Greenfield Sites Demolition. In connection with the Original Purchase, Beijing XJR undertook to Old Jing Run that it would assume the Greenfield Sites Demolition for and on behalf of Old Jing Run and that it would also carry out and complete the Construction Land Demolition by 31

December 2007 or such other date as determined by the Beijing Municipal Commission of Urban Planning or other relevant government authorities. In view of such obligations, various conditions such as the Obligations (as defined below) have to be fulfilled before payment of the Third Cash Consideration.

OBLIGATIONS TO BE PERFORMED BEFORE PAYMENT OF THE THIRD CASH CONSIDERATION AND ASSIGNMENT OF SHAREHOLDERS' LOAN

Payment of the Third Cash Consideration and the assignment of the Shareholder's Loans are conditional upon the Seller providing Shareholder's Loans to the Believe Best Group Companies for the performance of various obligations, which include, inter alia:

- (i) completion of the Construction Land Demolition;
 - (ii) Phase II to have water, electricity and road connection and to satisfy other various conditions as outlined in the Share Purchase Agreement;
 - (iii) the Seller provides satisfactory evidence to the Company on completion of Demolition;
 - (iv) Beijing XJR has obtained the land use right certificate to Phase II;
 - (v) Beijing XJR has obtained the approval documents issued by the Beijing Municipal Commission of Development and Reform relating to Phase II; and
 - (vi) Other necessary relevant approval documents obtained in respect of Phase II from the relevant local authorities,
- (together, the "**Obligations**").

Save for the Shareholder's Loans, the Seller undertakes that the costs involved in performance of the above mentioned obligations would not be directly or indirectly borne by the Company or the Believe Best Group Companies. In addition to the Obligations, the Seller is obliged to provide Shareholder's Loans to the Believe Best Group Companies to carry out the Greenfield Sites Demolition.

If any of the Obligations and completion of the Greenfield Sites Demolition are not performed by 31 December 2007 or such other date as determined by the Beijing Municipal Commission of Urban Planning or other relevant government authorities (the "**Late Performance**"), without prejudice to the indemnity given by the Seller as described in the paragraph below, the Company may grant a grace period of 6 months (the "**Grace Period**"). If any of the Obligations and completion of the Greenfield Sites Demolition are still not performed after the Grace Period, the Seller shall pay to the Company a liquidated damages of approximately HK\$300,000 (which is equivalent to approximately 0.005% of the Total Consideration) each day commencing on the day after the Grace Period until and including the day when all the Obligations are performed in full.

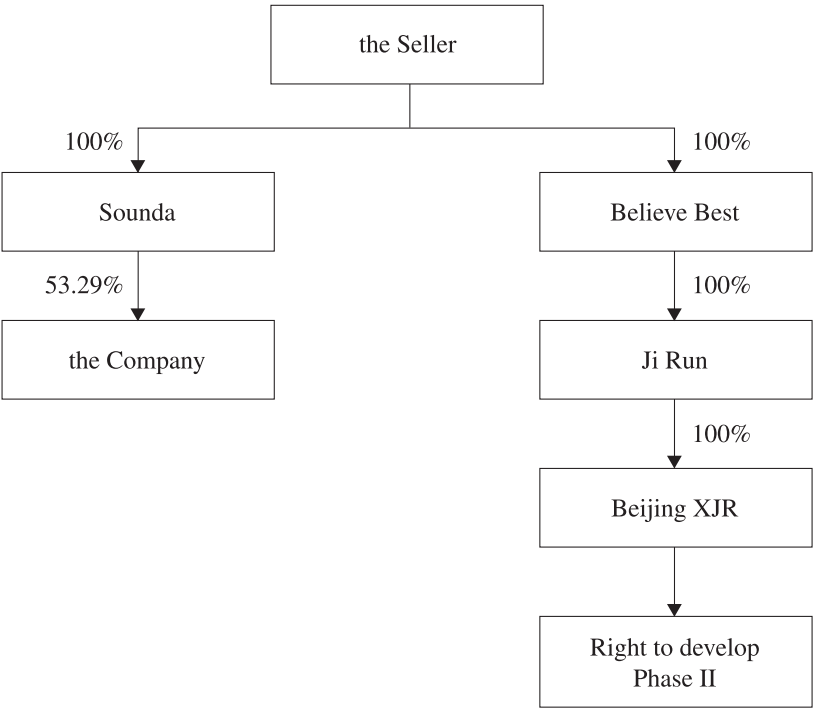
The Seller has also undertaken to indemnify the Company or any of the Believe Best Group Companies for all losses, costs or other relevant expenses incurred as a result of the Late Performance or any claims, litigation, judicial or other administrative proceedings against the Company or any of the Believe Best Group Companies which arise from such Late Performance.

INFORMATION ON THE PARTIES

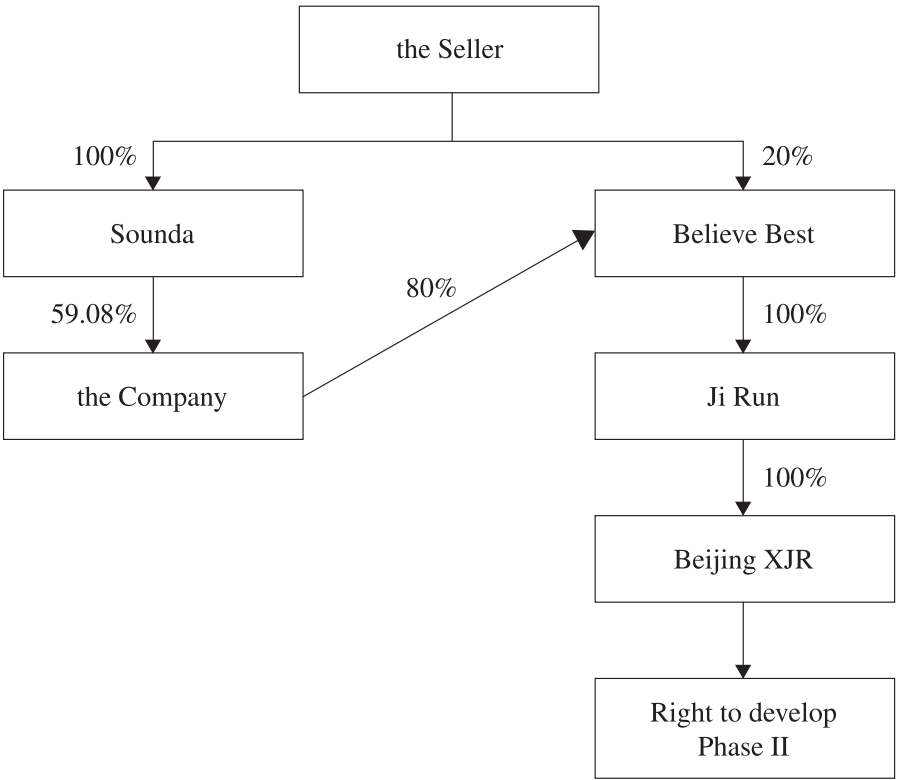
The Group is principally engaged in property development and property investment in various cities in the PRC including Guangzhou, Beijing, Shanghai and Tianjin, the PRC.

The Seller holds 100% of the issued share capital of Sounda which is a substantial shareholder of the Company holding approximately 53.29% of the Existing Share Capital. The Seller also holds 100% of the issued share capital of Believe Best which in turn holds 100% of the issued share capital of Ji Run. Ji Run holds the 100% interest in Beijing XJR.

The relationship between the Seller, Believe Best, Ji Run, Beijing XJR and Phase II before Completion is summarised as follows:



The relationship between the Seller, Believe Best, Ji Run, Beijing XJR and Phase II immediately after Completion is summarised as follows:



Believe Best is an investment holding company of the Believe Best Group Companies. It was incorporated in July 2005 for the purpose of acquiring Ji Run. The sole asset of the Believe Best Group Companies is the right to develop Phase II, which is held via Believe Best's 100% shareholding in Ji Run and Ji Run's 100% holding in Beijing XJR. Based on the consolidated management accounts of the Believe Best Group Companies prepared in accordance with Hong Kong Financial Reporting Standards, the consolidated net assets value of the Believe Best Group Companies was HK \$996,381,531 as at 31 May 2007. There were no net profits or losses attribute to Believe Best in the past 2 financial years.

THE ACQUISITION AS A DISCLOSEABLE AND CONNECTED TRANSACTION

Sounda, a company wholly-owned by the Seller, is a substantial shareholder of the Company holding approximately 53.29% of the Existing Share Capital. The Seller, by reason of being the sole shareholder of Sounda, is a connected person to the Company.

The Acquisition constitute a discloseable and connected transaction for the Company pursuant to Rules 14.08 and 14A.16(5) and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Completion is conditional upon, inter alia, the approval of the Independent Shareholders voting at the EGM. The Seller and its associates will abstain from voting and the vote will be taken by poll.

REASONS FOR THE ACQUISITION

Phase II is situated in a prime location in Beijing. As the core business of the Group is property development and property investment in major cities of the PRC Phase II which occupies 200,000 square meters with a planned gross floor area of 700,000 square meters, adds favourably to the assets of the Group and enables the Group to expand its market share of the property development market in the PRC. The Company plans to develop Phase II into a high quality residential project. The Directors anticipate that in view of the economic growth of Beijing and the rising demand of residential buildings in prime districts of Beijing, Phase II, after development, will be of great commercial value to the Group.

The original discussion between the Company and the Seller was for the Company to acquire 100% interest in Phase II. However, after commercial negotiations between the parties, in view of the future prospects of Phase II, the Seller was only willing to sell 80% interest in Phase II, which is the current structure of the Acquisition.

The Board (excluding the independent non-executive Directors) considers that the Acquisition is in the ordinary and usual course of business of the Group and the terms of the Acquisition have been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable in so far as the interests of the Company and the Shareholders of the Company as a whole are concerned. The advice and recommendation from the independent non-executive Directors (i.e. members of the Independent Board Committee) will be set out in the Circular, after receiving advice from the Independent Financial Adviser.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Acquisition are fair and reasonable so far as the Shareholders are concerned.

The Circular containing, inter alia, further details of the Share Purchase Agreement, property valuation report on Phase II advice from the Independent Board Committee and the Independent Financial Adviser and notice of the EGM, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

“Acquisition”	acquisition of the Sale Shares, the assignment of the Shareholder’s Loans and other transactions as contemplated under the Share Purchase Agreement
“associate”	has the meaning ascribed to it in the Listing Rules
“Average Closing Price”	HK\$22.02, being the average closing price of each Share on the Stock Exchange for the last 5 trading days immediately preceding the date of execution of the Share Purchase Agreement
“Beijing XJR”	Beijing Xingjingrun Property Co., Ltd. (北京新京潤房地產有限公司) is a wholly foreign owned enterprise incorporated under the laws of the PRC and is wholly-owned by Ji Run
“Believe Best”	Believe Best Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Believe Best Group Companies”	all or any of Believe Best, Ji Run or Beijing XJR
“Board”	the board of Directors
“Bonds”	the USD Settled Zero Coupon Convertible Bonds due 2010 announced by the Company on 19 January 2007, which includes the Firm Bonds and the Optional Bonds as defined in that announcement
“Business Day”	a day on which banks are open for business in Hong Kong and in the PRC (excluding Saturdays, Sundays and public holidays in Hong Kong or in the PRC)
“Circular”	the shareholders’ circular to be issued by the Company in relation to the transactions contemplated under the Share Purchase Agreement pursuant to the Listing Rules
“Company”	Hopson Development Holdings Ltd., a company incorporated in Bermuda with limited liability and whose ordinary shares are listed on the Main Board of the Stock Exchange
“Completion”	Completion of the sale and purchase of the Sale Shares as contemplated under the Share Purchase Agreement
“Completion Date”	the date on which the Completion occurs
“connected person”	has the meaning ascribed to it in the Listing Rules

“Consideration Shares”	182,232,346 new Shares to be issued by the Company at the Issue Price as part of the consideration pursuant to the Share Purchase Agreement
“Construction Land Demolition”	demolition in relation to the construction land (建設用地) of Phase II and to make all necessary compensation (including compensation payment involved in relocating existing residents) in accordance with relevant laws
“Demolition”	the Greenfield Sites Demolition and the Construction Land Demolition
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held to consider and approve the transactions contemplated under the Share Purchase Agreement. Details of the EGM will be set out in the Circular
“Enlarged Share Capital”	the issued share capital of the Company, as enlarged by the issue of the Consideration Shares
“Existing Share Capital”	the existing issued share capital of the Company as at the date of this announcement
“First Cash Consideration”	HK\$1,000 million
“Group”	the Company together with its subsidiaries
“Greenfield Sites Demolition”	demolition in relation to the greenfield sites (代征綠地) of the Jing Run Project (i.e. Phase I and Phase II) and to make all necessary compensation in accordance with relevant laws
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors, namely Mr. Yuen Pak Yiu, Philip, Mr. Lee Tsung Hei, David and Mr. Wong Shing Kay, Oliver
“Independent Financial Adviser”	an independent financial adviser to be appointed to advise the Independent Board Committee in relation to the Share Purchase Agreement
“Independent Shareholders”	independent shareholders of the Company excluding the Seller and its associates
“Issue Price”	HK\$21.95 per Consideration Share
“Ji Run”	Ji Run Property Investments Limited, a limited liability company incorporated under the laws of Hong Kong and is wholly-owned by Believe Best
“Jing Run Project”	Phase I and Phase II. The Project is situated in the Chaoyang district of Beijing and its boundaries are Dongsihuan Road (東四環), Liangmaqiao Road (亮馬橋路), Maizidian Road (麥子店路) and Xiaoyun Road (霄雲路)

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Old Jing Run”	Beijing Jing Run Property Co., Limited (北京京潤房地產有限公司), a wholly foreign owned enterprise incorporated under the laws of the PRC and is wholly owned by the Original Phase II Owners
“Phase I”	phase I of the Jing Run Project which is owned and being developed as residential project by Old Jing Run as at the date of this announcement. It includes the whole of the Jing Run Project except Phase II
“Phase II”	phase II of the Jing Run Project. It is the piece of land to the east of Phase I and is situated in No. 18 Xiaoyun Road, Chaoyang District of Beijing and occupies approximately 200,000 square meters with a planned gross floor area of 700,000 square meters
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	80 shares of US\$1 in Believe Best, being 80% of the issued share capital of Believe Best
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Second Cash Consideration”	HK\$500 million
“Seller”	Mr. Chu Mang Yee, the controlling shareholder, the Chairman and an executive director of the Company. As at the date of this announcement, the Seller holds, via Sounda, approximately 53.29% of the Existing Share Capital
“Shareholders”	the shareholders of the Company
“Shareholder’s Loans”	all interest free shareholder’s loans advanced by the Seller to any of the Believe Best Group Companies and all accounts payable of any of the Believe Best Group Companies payable to the Seller outstanding as at the Third Cash Consideration Date (including but not limited to the interest free shareholder’s loans to be provided by the Seller to the Believe Best Group Companies for performance of the Obligations), which amount to approximately HK\$1,663 million as at the date of this announcement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Purchase Agreement”	the conditional share purchase agreement entered into on 22 June 2007 between the Seller and the Company under which the Seller agrees to sell and assign to the Company, and the Company agrees to acquire the Sale Shares and take assignment of the Shareholder’s Loans

“Sounda”	Sounda Properties Limited, a company incorporated with limited liability under the laws of the British Virgin Islands and is wholly-owned by the Seller
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Third Cash Consideration”	HK\$500 million payable on the Third Cash Consideration Date
“Third Cash Consideration Date”	the date on which the Third Cash Consideration is to be paid pursuant to the Share Purchase Agreement
“Total Consideration”	the total consideration for the Acquisition
“%”	per cent.

For reference only, the figures in RMB referred to above have been translated into Hong Kong dollars on the basis of an assumed exchange rate of HK\$1.00 = RMB0.98.

By Order of the Board
HOPSON DEVELOPMENT HOLDINGS LIMITED
Chu Mang Yee
Chairman

As at the date of this announcement, the Board is composed of 11 Directors. The executive Directors are Mr. Chu Mang Yee (Chairman), Mr. Wu Jiesi (Chief Executive Officer), Mr. Xiang Bin, Mr. Tam Lai Ling, Mr. Au Wai Kin, Mr. Chen Chang Ying and Ms. 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.

Hong Kong, 22 June 2007

* *For identification purpose only*

*“Please also refer to the published version of this announcement in **The Standard**.”*