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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)

ANNOUNCEMENT

DISCLOSEABLE AND CONNECTED TRANSACTION

The Directors are pleased to announce that on 17 August 2007, the Group entered into the Agreement with GD Zhujiang pursuant to which the Group conditionally agrees to acquire the entire equity interest in Shanghai Dazhan from GD Zhujiang. Shanghai Dazhan is a wholly-owned subsidiary of GD Zhujiang.

GD Zhujiang is a substantial shareholder of certain subsidiaries of the Company and the associate of the brother of Mr. Chu. Accordingly, GD Zhujiang is a connected person of the Company under the Listing Rules. The Transaction constitutes a discloseable and connected transaction of 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 SGM. Sounda, which is a substantial shareholder of the Company, and its associates will abstain from voting and the votes of the Independent Shareholders will be taken by poll.

A circular containing, *inter alia*, details of the Transaction, opinion from the Independent Board Committee and the independent financial adviser's advice will be despatched to the Shareholders as soon as practicable.

The Directors (including the independent non-executive Directors) consider that the Transaction is in the ordinary and usual course of business of the Group and the terms of the Agreement have been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable and the Transaction is in the interests of the Company and the Shareholders as a whole.

A. THE TRANSACTION

1. Background

On 20 July 2007, GD Zhujiang made a successful bid of RMB1,399 million (equivalent to approximately HK\$1,442.27 million), for the Land at an auction organized and held by Nanjing Academy, the owner of the land use right of the Land. On 28 July 2007, GD Zhujiang entered into the Assignment with Nanjing Academy. The Land is situated in Yangpu District, Shanghai with a site area of approximately 23,522.9 sq. m. and is permitted for commercial and office purposes.

Shanghai Dazhan, a wholly-owned subsidiary of GD Zhujiang, will enter into the Transfer Contract with Shanghai Land Bureau to acquire the land use right of the Land. Shanghai Dazhan was established on 21 May 2007 with a business scope of, among other things, real estate development, property and hotel management.

Pursuant to the Assignment, GD Zhujiang paid up 40% of the Land Transfer Price, being RMB559.6 million (equivalent to approximately HK\$576.91 million) on 28 July 2007.

On 17 August 2007, the Group entered into the Agreement with GD Zhujiang pursuant to which the Group conditionally agrees to acquire the entire equity interest in Shanghai Dazhan from GD Zhujiang together with the land use right of the Land.

2. Principal terms of the Agreement

Date: 17 August 2007

Parties: Long Meng as the purchaser; and
GD Zhujiang as the seller

Interests to be
Acquired: Subject to the satisfaction of the conditions precedent and the conditions subsequent specified in the Agreement, GD Zhujiang agrees to sell and Long Meng agrees to purchase the entire equity interest in Shanghai Dazhan together with the land use right of the Land.

Total Financial
Commitment: As set out in paragraph 3 below.

Conditions Precedent and Conditions Subsequent: The Agreement is conditional upon fulfilment of the conditions precedent and the conditions subsequent specified in the Agreement, including but not limited to the following:

(i) Conditions Precedent:

- (a) the approval of the Independent Shareholders at the SGM; and
- (b) the entry of the Transfer Contract between Shanghai Dazhan and Shanghai Land Bureau.

(ii) Conditions Subsequent:

- (a) the approval of Shanghai COFTEC in respect of the acquisition of the entire equity interest in Shanghai Dazhan by Long Meng; and
- (b) Shanghai Dazhan having obtained the State-owned land use right certificate in respect of Land.

3. Total Financial Commitment

The Equity Interest Consideration payable by the Group to GD Zhujiang for the acquisition of the entire equity interest in Shanghai Dazhan and the land use right in respect of the Land will be RMB10 million (equivalent to approximately HK\$10.31 million) representing the amount of paid-up registered capital of Shanghai Dazhan. The Group shall repay GD Zhujiang the Advance Payment together with interest accrued thereon calculated on a daily basis at the lending rate quoted by the People's Bank of China from time to time from the date of payment by GD Zhujiang up to and including the date of repayment by the Group.

Upon Completion, the Group will assume the responsibility of making payment of the remaining unpaid balance of the Land Transfer Price to Nanjing Academy for the acquisition of the land use right of the Land. Apart from payment of the Land Transfer Price, there is no other financial commitment on the part of the purchaser of the Land as required by Nanjing Academy.

Shanghai Dazhan, which was established on 21 May 2007, has a registered capital of RMB10 million (equivalent to approximately HK\$10.31 million) fully paid up by GD Zhujiang. Shanghai Dazhan did not have any profit or loss for the two financial years immediately preceding the Transaction as it has not engaged in any business operation since the date of its establishment. Based on a valuation report prepared by DTZ Debenham Tie Leung Limited, an independent

valuer, had the Group obtained the valid State-owned land use right certificate in respect of the Land, the market value of the Land in its existing state as at 31 July 2007 would be RMB 1,502 million (equivalent to approximately HK\$1,548.45 million) assuming the land premium, being the Land Transfer Price, has been fully paid.

The total financial commitment of the Group for the Transaction will be RMB1,409 million (equivalent to approximately HK\$1,452.58 million), being the aggregate of the Equity Interest Consideration and the Land Transfer Price, plus interest accrued on the Advance Payment. The payment of the said total financial commitment will be funded by the Group's internal resources.

All sum paid by the Group to GD Zhujiang pursuant to the Agreement will be fully refunded to the Group in the event that the conditions precedent specified in the Agreement are not fulfilled by 31 October 2007 or the conditions subsequent specified in the Agreement are not fulfilled by 30 June 2008 (or such later date as agreed by the Group or unless otherwise waived by the Group).

4. Payment

Repayment of the Advance Payment together with interest accrued thereon calculated on a daily basis at the lending rate quoted by the People's Bank of China from time to time from the date of payment by GD Zhujiang up to and including the date of repayment by the Group shall be made within 7 days upon satisfaction of the conditions precedent specified in the Agreement. Payment of the Equity Interest Consideration shall be made upon satisfaction of the conditions precedent specified in the Agreement and within 7 days upon completion of registration of change of shareholder of Shanghai Dazhan.

5. Reasons for Transaction

As the Group is principally engaged in property development and property investment in various cities in the PRC including Guangzhou, Beijing, Shanghai and Tianjin, the Transaction is in the ordinary and usual course of business of the Group.

In the first half of 2007, the Group acquired Land No. 292, which is adjacent to the Land. The Land and Land No. 292 are situated in Wujiaochang (五角場), a new commercial hub connecting the five roads of Handan Road, Siping Road, Huangxing Road, Xiangyin Road and Songhu Road in Yangpu District, a prime commercial district located in the northeast of Shanghai. The Wujiaochang area is expected to become a major commercial and entertainment hub including an underground square. It is expected that the development of an underground square in the Wujiaochang area, which will consist of commercial premises as well as entertainment facilities, will not only provide pedestrians with easy access to the commercial buildings and shopping malls, but will also greatly enhance the existing transportation network of Shanghai. With the addition of the Land, the Group can now develop the Land and Land No. 292 together into a larger scale commercial complex comprising high rise grade A office buildings, 5-star hotels and large-scale shopping malls including underground levels for commercial use, thus enhancing the value of Land No. 292. The Directors consider the Transaction will place the Group in a better position to

acquire additional piece(s) of land at the Wujiaochang area in the future. The Directors anticipate that the development of underground levels within the large-scale commercial complex will increase the commercial value of the Land and Land No. 292.

GD Zhujiang is principally engaged in property development, investment, management and construction in various cities in the PRC including Guangzhou, Beijing, Shanghai and Shenzhen. Shanghai Dazhan is a wholly-owned subsidiary of GD Zhujiang with a business scope of, among other things, real estate development, property and hotel management. Shanghai Dazhan was established by GD Zhujiang solely for the purpose of acquiring the Land.

6. Discloseable and Connected Transaction

GD Zhujiang, being a substantial shareholder of certain subsidiaries of the Company and the associate of the brother of Mr. Chu, is a connected person of the Company under the Listing Rules. Accordingly, the Transaction constitutes a connected transaction of the Company under the Listing Rules.

Based on the relevant percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules, the Transaction constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules.

As the Transaction constitutes a discloseable and connected transaction for the Company pursuant to Rules 14.08 and 14A.16(5), it 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 SGM. Sounda, a company wholly-owned by Mr. Chu, is a substantial shareholder of the Company holding approximately 59.00% of the existing issued share capital of the Company as at the date hereof. In view of Sounda's relationship with GD Zhujiang, Sounda and its associates will abstain from voting at the SGM and the votes of the Independent Shareholders will be taken by poll.

The Directors (including the independent non-executive Directors) consider that the Transaction is in the ordinary and usual course of business of the Group and the terms of the Agreement have been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable and the Transaction is in the interests of the Company and the Shareholders as a whole.

B. GENERAL

An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Agreement are fair and reasonable so far as the Shareholders are concerned.

A circular containing details of the Transaction, opinion of the Independent Board Committee and the independent financial adviser's advice will be dispatched to the Shareholders as soon as practicable.

C. DIRECTORS

As at the date hereof, the executive Directors comprise CHU Mang Yee (Chairman), WU Jiesi (Chief Executive Officer), XIANG Bin, TAM Lai Ling, AU Wai Kin, CHEN Chang Ying, XIAO Yan Xia, the non-executive Director comprises Steven SHAFRAN and the independent non-executive Directors comprise YUEN Pak Yiu, Philip, LEE Tsung Hei, David and WONG Shing Kay, Oliver.

D. TERMS USED IN THIS ANNOUNCEMENT

“Advance Payment”	the sum of RMB559.6 million (equivalent to approximately HK\$576.91 million), representing 40% of the Land Transfer Price paid by GD Zhujiang on 28 July 2007 together with such other sums (if any) actually paid by GD Zhujiang pursuant to the Assignment
“Agreement”	the conditional equity purchase agreement dated 17 August 2007 entered into between Long Meng and GD Zhujiang
“Assignment”	土地使用權轉讓協議書 (Agreement for assignment of the land use right of land) in respect of the Land dated 28 July 2007 entered into between GD Zhujiang and Nanjing Academy
“associate”	the meaning given to that term in the Listing Rules
“Company”	Hopson Development Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the entire equity interest in Shanghai Dazhan as contemplated under the Agreement
“Directors”	the directors of the Company
“Equity Interest Consideration”	the sum of RMB10 million (equivalent to approximately HK\$10.31 million), being the consideration payable by the Group for the acquisition of the entire equity interest in Shanghai Dazhan under the Agreement
“GD Zhujiang”	廣東珠江投資有限公司 (Guangdong Zhujiang Investment Company Limited), a company established in the PRC

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the board of Directors comprising Messrs. Yuen Pak Yiu, Philip, Lee Tsung Hei, David and Wong Shing Kay, Oliver, established to review and consider the Agreement
“Independent Shareholders”	Shareholders excluding Sounda and its associates
“Land”	a piece of vacant land bearing lot no. NS-1 and situated at No. 1157 Xiangyin Road, Yangpu District, Shanghai, PRC
“Land Transfer Price”	RMB1,399 million (equivalent to approximately HK\$1,442.27 million), being the price at which the Land was sold
“Land No. 292”	a piece of land recently acquired by the Group which is situated at 292 Jiefang, Yangpu District, Shanghai, PRC and adjacent to the Land with a site area of approximately 24,799 sq.m.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Meng”	上海龍盟房地產開發有限公司 (Shanghai Long Meng Real Estate Development Co., Ltd.), a company established in the PRC and is indirectly wholly-owned by the Company
“Mr. Chu”	Mr. Chu Mang Yee, an executive Director and the chairman of the Company
“Nanjing Academy”	中國人民解放軍南京政治學院上海分院 (Nanjing Academy of Political Science of the People’s Liberation Army of the PRC, Shanghai Branch)
“PRC” or “China”	the People’s Republic of China
“SGM”	a special general meeting of the Company to be held to approve the Transaction
“Shanghai COFTEC”	Shanghai Commission of Foreign Trade and Economic Cooperation
“Shanghai Dazhan”	上海大展投資管理有限公司 (Shanghai Dazhan Investment Management Company Limited), a company established in the PRC and is wholly-owned by GD Zhujiang

“Shanghai Land Bureau”	上海市房屋土地資源管理局 (Shanghai Municipal Housing and Land Resources Management Bureau)
“Shareholders”	shareholders of the Company
“Sounda”	Sounda Properties Limited, a company incorporated in the British Virgin Islands
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transactions contemplated under the Agreement
“Transfer Contract”	國有土地使用權出讓合同 (Contract for the transfer of the land use right of State-owned land) in respect of the Land
“HK\$”	Hong Kong dollars
“RMB”	Renminbi

For illustrative purpose of this announcement, RMB0.97 = HK\$1.00 and US\$1.00 = HK\$7.80

By Order of the Board
Chu Mang Yee
Chairman

Hong Kong, 17 August 2007

* *For identification purposes only*