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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 US\$300 MILLION 11.75% SENIOR NOTES

The Board refers to the announcement of the Company dated 10 January 2011 in relation to the proposed issue of Notes. The Board wishes to announce that on 14 January 2011, the Company, the Guarantors and the Manager entered into the Subscription Agreement. Pursuant to, and subject to certain conditions in, the Subscription Agreement, the Company has agreed to issue the Notes, and the Manager has agreed to procure subscribers to subscribe and pay for, failing which the Manager shall subscribe and pay for, the Notes at a price equal to 100% of the principal amount thereof. The Notes will be unconditionally and irrevocably guaranteed by the Guarantors. The Notes and the Guarantees will be secured by a valid and enforceable perfected security interest over all the shares in each Guarantor and the shares of Dynawell Investment Limited and Believe Best Investments Limited held by the Pledgors on a first priority basis. The Collateral will be shared on an equal and ratable basis between the holders of the Notes and holders of the 2012 Notes pursuant to Intercreditor Agreement.

None of the Notes will be offered to the public in Hong Kong and none of them will be offered to any connected persons (as defined in the Listing Rules) of the Company.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. Please refer to the section headed “Subscription Agreement” below for further information.

As the Subscription Agreement may or may not complete, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the Shares.

Approval in-principle has been received for the listing of the Notes on SGX-ST. Such approval and the admission of the Notes to the Official List of the SGX-ST 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 or the securities laws of any other place.

INTRODUCTION

The Board refers to the announcement of the Company dated 10 January 2011 in relation to the proposed issue of Notes. The Board wishes to announce that on 14 January 2011, the Company, the Guarantors and the Manager entered into the Subscription Agreement. Pursuant to, and subject to certain conditions in, the Subscription Agreement, the Company has agreed to issue the Notes, and the Manager has agreed to procure subscribers to subscribe and pay for, failing which the Manager shall subscribe and pay for, the Notes at a price equal to 100% of the principal amount thereof. The Notes will be unconditionally and irrevocably guaranteed by the Guarantors. The Notes and the Guarantees will be secured by a valid and enforceable perfected security interest over all the shares in each Guarantor and the shares of Dynawell Investment Limited and Believe Best Investments Limited held by the Pledgors on a first priority basis. The Collateral will be shared on an equal and ratable basis between the holders of the Notes and holders of the 2012 Notes pursuant to Intercreditor Agreement.

SUBSCRIPTION AGREEMENT

Date: 14 January 2011

Parties: Issuer: the Company
Guarantors: the Guarantors
Manager: the Manager

To the best of the Directors' knowledge, information and belief after having made all the reasonable enquiry, the Manager is a third party independent of the Company and is not a connected person (as defined in the Listing Rules) of the Company.

Subscription: Pursuant to, and subject to certain conditions in, the Subscription Agreement, the Company has agreed to issue the Notes, and the Manager has agreed to procure subscribers to subscribe and pay for, failing which the Manager shall subscribe and pay for, the Notes at a price equal to 100% of the principal amount thereof.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any other place. None of the Notes will be offered to the public in Hong Kong and none of them will be offered to any connected person (as defined in the Listing Rules) of the Company.

Conditions precedent:

The obligations of the Manager to subscribe and pay for the Notes are conditional upon, among other things:

- (i) there has not been any change in the capital stock or long-term debt of the Company or any of its subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, properties, management, condition (financial or otherwise), results of operations or prospects of the Company and its subsidiaries taken as a whole, the effect of which in the judgment of the Manager makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Notes on the terms and in the manner contemplated;
- (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole, the effect of which in the judgment of the Manager makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Notes on the terms and in the manner contemplated;
- (iii) neither the Company nor any of its subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any administrative, governmental or regulatory commission, board, body, authority or agency, or any stock exchange, self-regulatory organization or other non-governmental regulatory authority, or any court, tribunal or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic or foreign, the effect of which in the judgment of the Manager makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Notes on the terms and in the manner contemplated;
- (iv) certain legal opinions and auditors' comfort letters having been delivered to the Manager;
- (v) the Indenture, the Intercreditor Agreement and the Security Documents having been duly executed and delivered by the parties thereto; and

(vi) the Manager shall have received a certificate from each of Standard & Poor's Rating Group ("S&P") and Moody's Investors Service, Inc. ("Moody's") to the effect that (i) the Notes are rated at least "B" by S&P and "B2" by Moody's, and (ii) no notice shall have been given by S&P or Moody's of any intended or potential downgrading of any rating of the Notes or of any review for a possible downward change in any rating of the Notes or that does not indicate the direction of the possible change.

Completion: Subject to all the conditions of the Subscription Agreement being fulfilled, completion of the Notes is expected to take place on the Closing Date.

As the Subscription Agreement may or may not complete, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the Shares.

PRINCIPAL TERMS OF THE NOTES

The Notes are constituted by the Indenture. The principal terms of the Notes are summarised as follows:

Issuer: The Company.

Issue: 11.75% senior notes due 2016 in an aggregate principal amount of US\$300 million (equivalent to approximately HK\$2,340 million).

Issue Price: 100% of the principal amount of the Notes.

Maturity Date: 21 January 2016

Interest: Interest will be payable semi-annually in arrears on 21 January and 21 July of each year. The first interest payment will be due on 21 July 2011.

Ranking of Notes: The Notes will be the Company's general obligations and:

- will rank at least *pari passu* in right of payment with the 2012 Notes and all other unsecured, unsubordinated indebtedness of the issuer (subject to priority rights under applicable law);
- will be senior in right of payment to any of the Company's future subordinated indebtedness, if any;
- will be unconditionally guaranteed by the Guarantors; and
- will be effectively subordinated to any existing and future indebtedness of the Company's subsidiaries that do not guarantee the Notes.

- Guarantee: The Company's obligations under the Notes and the Indenture will be guaranteed by the Guarantors. None of the Company's existing or future subsidiaries that are organized under the laws of the PRC or that are not wholly-owned by the Company will guarantee the Notes in the future.
- Ranking of the Guarantees: The Guarantee of each Guarantor will be a general obligation of such Guarantor and:
- will rank at least *pari passu* with the guarantees provided for the 2012 Notes and all other unsecured, unsubordinated indebtedness of such Guarantor (subject to priority rights under applicable law);
 - will be senior in right of payment to such Guarantor's future subordinated indebtedness, if any; and
 - will be effectively subordinated to any existing and future indebtedness of such Guarantor that is secured by liens that do not secure such Guarantee, to the extent of the property and assets securing such indebtedness.
- Collateral: The Notes and the Guarantees will be secured, equally and ratably on a first priority basis with all obligations of the Issuer and the Guarantors under the 2012 Notes and certain future permitted indebtedness, by a pledge of the shares in the Guarantors and the shares of Dynawell Investments Limited and Believe Best Investments Limited.
- Certain Covenants: The Company will issue the Notes under the Indenture. The Indenture will, subject to a number of significant exceptions and qualifications, partially limit, among other things, the Company's ability and the ability of certain subsidiaries of the Company to:
- incur or guarantee additional indebtedness and issue certain preferred stock;
 - pay dividends, redeem capital stock and make certain investments;
 - make certain other restricted payments;

- create or permit to exist certain liens;
- impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to us;
- transfer, lease or sell certain assets including subsidiary stock;
- merge or consolidate with other entities;
- enter into certain transactions with affiliates; and
- enter into unrelated businesses.

Events of Default:

The events of default under the Indenture include, among others:

- (a) default in the payment of principal of (or premium, if any, on) the Notes;
- (b) default in the payment of interest on any Notes;
- (c) the Company or any of its restricted subsidiary defaults in the performance of or breaches the covenants or agreements in the Indenture or under the Notes;
- (d) there occurs an event of default or failure to make a principal payment when due with respect to any indebtedness of the Company or any of its restricted subsidiary having an outstanding principal amount of US\$7.5 million or more in the aggregate for all such indebtedness of all such persons;
- (e) any final judgment or order for the payment of money in excess of US\$7.5 million in the aggregate for all such final judgments or orders rendered against the Company or any of its restricted subsidiary and is not be paid or discharged;
- (f) a bankruptcy or insolvency with respect to the Company or any of its restricted subsidiary which is a significant subsidiary;
- (g) any Guarantor denies or disaffirms its obligations under its Guarantee;
- (h) any default by the Company or any Pledgor in the performance of any of its obligations under the Security Documents or the Indenture; and
- (i) the Company or any Guarantor denies or disaffirms its obligations under any Security Document.

Change of Control: If the Company experiences both a Change of Control (as defined in the Indenture) and an accompanied rating decline, the Company will be required to offer to repurchase the Notes at 101% of their principal amount plus accrued interest to the date of such repurchase.

Redemption for Changes in Tax: The Company may redeem the Notes in whole, but not in part, at any time, upon giving prior notice, if certain changes in tax law impose certain withholding taxes on amounts payable on the Notes, and, as a result, the Company or any Guarantor is required to pay additional amounts with respect to such withholding taxes. If the Company exercises such redemption right, the Company must pay the price equal to the principal amount of the Notes plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

Optional Redemption: On and after 21 January 2014, the Company will be entitled at its option to redeem all or a portion of the Notes at the redemption prices (expressed in percentages of principal amount on the redemption date), plus accrued and unpaid interest to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on 21 January of the years set forth below:

Period	Redemption Price
2014	105.8750%
2015 and thereafter	102.9375%

Prior to 21 January 2014, the Company will be entitled at its option to redeem all or any portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest to, the redemption date (subject to the right of holders on the relevant record date to receive interest due on the relevant interest payment date).

At any time prior to 21 January 2014, the Company may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price equal to 111.75% of the principal amount of the Notes with the proceeds of certain equity offerings, plus accrued and unpaid interest up to the redemption date, provided that at least 65% of the original principal amount of the Notes remains outstanding after the redemption.

Governing Law of
the Indenture,
Notes and Guarantees:

New York law.

Listing:

Approval in-principle has been received for the listing of the Notes on the SGX-ST. Such approval and the admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes.

INFORMATION ABOUT THE GROUP

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

REASON FOR THIS TRANSACTION

The Directors believe that the proposed issue of Notes 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.

USE OF PROCEEDS

The net proceeds from the issue of Notes, estimated to be approximately US\$294.70 million (equivalent to approximately HK\$2,298.66 million), will be used for working capital requirements as well as general corporate purposes.

The Company may use the net proceeds differently than as described above in response to future events or developments, such as general market conditions, the level of demand for the Group's properties and the outlook for the property industry, changes in social, political and economic conditions and the regulatory environment in the cities in which the Group conducts its business and changes in the Group's need for capital and the availability of financing and capital to fund these needs.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following capitalised terms shall have the following meanings:

“2012 Notes”

The 8¹/₈% senior notes due 2012 issued by the Company

“2012 Notes Trustee”

The Bank of New York Mellon (as successor to JP Morgan Chase Bank, N.A.), as trustee for the 2012 Notes

“Board”

The board of Directors

“Closing Date”	21 January 2011 or such other date as shall be agreed between the Company and the Manager
“Collateral”	The first priority security interest over all the shares in each Guarantor and the shares of Dynawell Investment Limited and Believe Best Investments Limited held by the Pledgors
“Company”	Hopson Development Holdings Limited, an exempted limited liability company incorporated in Bermuda under the Bermuda Companies Act, the shares of which are listed on the Hong Kong Stock Exchange
“Director(s)”	The director(s) of the Company
“Guarantee”	The guarantees of the Guarantors which will be set out in the Indenture
“Guarantors”	All of the Company’s wholly-owned subsidiaries incorporated or organized outside the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Indenture”	The Indenture to be entered into by the Company, the Guarantors and the Trustee as trustee for holders of the Notes on the Closing Date
“Intercreditor Agreement”	A collateral trust agreement to be entered into among the Company, the Trustee and 2012 Notes Trustee on the Closing Date
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Manager”	UBS AG, Hong Kong Branch
“Notes”	11.75% senior notes due 2016 in an aggregate principal amount of US\$300 million to be issued by the Company
“Pledgors”	Certain Guarantors that will provide the Collateral
“PRC”	The People’s Republic of China

“Securities Act”	U.S. Securities Act of 1933, as amended
“Security Documents”	The share charges to be entered into between each of the Pledgors and the Trustee on the Closing Date
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Trustee”	The Bank of New York Mellon, as trustee of the Notes
“US\$”	United States dollar, the lawful currency of the United States

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

Hong Kong, 17 January 2011

In this announcement, all translations from HK dollars into U.S. dollars have been made at the rate of HK\$7.80 to US\$1.00.

As at the date of this announcement, the Board is composed of nine directors. The executive directors are Mr. Chu Mang Yee (Chairman), Mr. Xiang Bin, Mr. Au Wai Kin, Mr. Xue Hu, Ms. Zhao Mingfeng and Mr. Liao Ruoqing; and the independent non-executive directors are Mr. Lee Tsung Hei, David, Mr. Wong Shing Kay, Oliver and Mr. Tan Leng Cheng, Aaron.

* *For identification purposes only*