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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)

Website: <http://www.irasia.com/listco/hk/hopson>

DISCLOSEABLE TRANSACTION

**SUBSCRIPTION FOR 4.99% EQUITY INTEREST IN
BEIJING RURAL COMMERCIAL BANK CO., LTD.**

The Board announces that in response to the Bank's invitation for participation in its proposed capital increase and asset reorganization, the Company, through its indirect wholly-owned subsidiaries, Zhongxian International and Shanghai Dazhan, applied to the Bank on 20 December 2010 for the Subscription Shares together with the corresponding Target Assets, and deposited the Total Consideration into the Escrow Account in full by 7 January 2011, pending the Bank's confirmation of the Transaction and execution of the Agreements and other relevant documents. The Group was notified of the final terms of the Agreements and completion of the Transaction on or around 26 August 2011.

The Asset Purchase was a prerequisite for the Subscription. One or more of the percentage ratios of the Subscription and the Asset Purchase, aggregated pursuant to Rule 14.22 of the Listing Rules, exceeds 5% but none of them exceeds 25%, therefore the Transaction constitutes a discloseable transaction for the Company under the Listing Rules.

BACKGROUND

Reference is made to the annual report 2010 of the Company dated 31 March 2011 ("2010 Annual Report") and the interim report 2011 of the Company dated 26 August 2011 ("2011 Interim Report") containing, among other things, a note to the financial statements relating to the deposit paid for a proposed investment in 4.73% equity interest in a PRC financial institution (namely, the Bank).

The Board announces that in response to Bank's invitation for participation in its proposed capital increase and asset reorganization, the Company, through its indirect wholly-owned subsidiaries, Zhongxian International and Shanghai Dazhan, applied to the Bank on 20 December 2010 for the

Subscription Shares together with the corresponding Target Assets, and deposited the Total Consideration into the Escrow Account in full by 7 January 2011, pending the Bank's confirmation of the Transaction and execution of the Agreements and other relevant documents.

Each of Zhongxian International and Shanghai Dazhan delivered its signed copy of the Agreements to the Bank and deposited the Total Consideration into the Escrow Account on the understanding that the proposed Transaction was subject to agreement between the Bank and the Investors, that the terms of the Agreements and the Trust Agreement were subject to changes, that the Asset Purchase was a prerequisite for the Subscription and that the Asset Purchase was conditional upon completion of disposal of the Target Assets by the Trustee pursuant to the Entrustment.

SUBSCRIPTION AGREEMENTS

On 20 December 2010, Zhongxian International submitted the signed Zhongxian International Subscription Agreement to the Bank, pending the Bank's acceptance of its application for the Subscription and execution of such agreement.

The principal terms of the Zhongxian International Subscription Agreement are set out as follows:

- Date:** Dated as of 20 December 2010
- Parties:** (1) the Bank; and
(2) Zhongxian International, an indirect wholly-owned subsidiary of the Company.
- Subscription for the Subscription Shares:** Zhongxian International agreed to subscribe from the Bank the Subscription Shares at the Subscription Price, subject to adjustment.
- Consideration:** RMB1 (equivalent to approximately HK\$1.23) per Subscription Share or an aggregate Subscription Price of RMB238.35 million (equivalent to approximately HK\$293.17 million) in cash, subject to adjustment.
- Zhongxian International agreed to deposit into the Escrow Account 10% of the Subscription Price within three Business Days after signing the Zhongxian International Subscription Agreement and the remaining 90% of the Subscription Price within five Business Days after the Bank having obtained the approval from the relevant PRC banking authority on its capital increase proposal.
- Lock-up:** Zhongxian International agreed that it would be subject to a lock-up undertaking of one year starting from the Bank having completed the necessary registration procedure for its capital increase with the relevant branch of the State Administration of Industry and Commerce of the PRC and longer lock-up restrictions as required by any applicable laws, regulations, policies or authorities.

Refund of the Subscription Monies: If the Zhongxian International Subscription Agreement is terminated, the Bank would return to Zhongxian International the Subscription Monies, subject to adjustment, in the Escrow Account together with interest thereon accruing at the prevailing current deposit rate published by PBOC.

Conditions precedent: Completion of the Subscription is conditional upon, among other things:

- (1) the parties having obtained all necessary approvals, consents or waivers on the capital increase and/or the transaction as contemplated under the Zhongxian International Subscription Agreement from the relevant parties or authorities, including the relevant PRC banking authority;
- (2) the valuation report on the capital increase having been approved or registered by the State-owned Assets Supervision and Administration Commission, Beijing Branch;
- (3) Zhongxian International having paid the Subscription Monies into the Escrow Account and not having withdrawn any of the Subscription Monies;
- (4) the parties' representations and warranties remaining true and accurate in all material aspects up to the date of completion; and
- (5) the parties having performed or complied with their respective agreements, obligations or terms of the Zhongxian International Subscription Agreement on or before the date of completion.

Completion: Completion of the Subscription would take place on an agreed date within 15 Business Days upon fulfilment of all the conditions precedent.

Termination: If any of the following events occurs, the Zhongxian International Subscription Agreement will be terminated:

- (1) both the Bank and Zhongxian International agree to terminate the Zhongxian International Subscription Agreement in writing;

- (2) any party breaches the Zhongxian International Subscription Agreement or its representations or warranties are untrue or inaccurate in any material aspect and cause material damage to the other party or render the Zhongxian International Subscription Agreement unable to be performed or fulfilled, and the breaching party receives from the other party a written notice of termination; or
- (3) completion of the Subscription cannot take place by 31 December 2011 or such earlier date (with evidence showing completion becoming impossible) due to the necessary approvals not being obtained from the relevant parties or authorities and any party having received from the other party a written notice of termination.

All the principal terms of the Shanghai Dazhan Subscription Agreement between Shanghai Dazhan and the Bank are substantially the same as those in the Zhongxian International Subscription Agreement.

The Total Subscription Shares subscribed by the Group, through Zhongxian International and Shanghai Dazhan, represent approximately 4.99% of the issued share capital of the Bank as enlarged by the issue of the Total Subscription Shares on a fully diluted basis.

ASSET PURCHASE AGREEMENT

As a prerequisite to the entry into of the Subscription Agreements, on 20 December 2010, Zhongxian International, Shanghai Dazhan and eight other Purchasers submitted their signed copy of the Asset Purchase Agreement to the Bank, pending the Bank's acceptance of their application for the Asset Purchase and execution of such agreement.

The principal terms of the Asset Purchase Agreement are set out as follows:

- Date:** Dated as of 20 December 2010
- Parties:**
- (1) the Bank; and
 - (2) ten Purchasers, including Zhongxian International and Shanghai Dazhan.
- Purchase of the Target Assets:** Each Purchaser agreed to purchase an undivided share of the Target Assets at a purchase price, subject to adjustment, equivalent to 200% of the subscription price payable by it for its corresponding share subscription with the Bank. Each Purchaser's share of the Target Assets would be in proportion to its purchase price to the total purchase price payable by all the Purchasers.

- Consideration:** Subject to adjustment, equivalent to 200% of the subscription price payable by the Investors for their respective share subscription with the Bank.
- Each Purchaser had to deposit into the Escrow Account 10% of the said purchase price within three Business Days after signing the Asset Purchase Agreement and the remaining 90% of the said purchase price within five Business Days after the Bank having obtained the approval from the relevant PRC banking authority on its capital increase proposal.
- Refund of the purchase monies:** If the share subscription agreement between the Bank and any Purchaser is terminated before completion, the Bank shall return to such Purchaser the purchase monies, subject to adjustment, in the Escrow Account together with interest thereon accruing at the prevailing current deposit rate published by PBOC.
- Conditions precedent:** Completion of the Asset Purchase is conditional upon, among other things:
- (1) the parties having obtained all necessary approvals, consents or waivers on the capital increase and/or the asset purchase from the relevant parties or authorities, including the relevant PRC banking authority (if applicable);
 - (2) the bank having completed its capital verification procedures for its capital increase;
 - (3) each Purchaser having paid the respective purchase monies in the Escrow Account;
 - (4) the parties' representations and warranties remaining true and accurate in all material aspects up to the date of completion; and
 - (5) the parties having performed or complied with their respective agreements, obligations or terms of the Asset Purchase Agreement on or before the date of completion.
- Completion:** Completion of the Asset Purchase would take place on an agreed date within 15 Business Days upon fulfilment of all the conditions precedent or on such other date as agreed by the parties.
- Proceeds from disposal of Target Assets:** The Purchasers agreed that any net cash proceeds from the disposal of the Target Assets together with interest accrued thereon would be paid to the Bank by way of gift, offsetting the legal expenses previously paid by the Bank before completion.

Termination:

If any of the following events occurs, the Asset Purchase Agreement will be terminated:

- (1) both the Bank and the Purchasers agree to terminate the Asset Purchase Agreement in writing;
- (2) any party breaches the Asset Purchase Agreement or its representations or warranties are untrue or inaccurate in any material aspect and cause material damage to the other parties or render the Asset Purchase Agreement unable to be performed or fulfilled, and the breaching party receives from the other parties a written notice of termination; or
- (3) completion of the Asset Purchase cannot take place by 31 December 2011 or such earlier date (with evidence showing completion becoming impossible) due to the necessary approvals not being obtained from the relevant parties or authorities and any party having received from the other party a written notice of termination.

Appointment of the trustee: Each Purchaser agreed to enter into the Trust Agreement with the Trustee for Entrustment of the Target Assets.

For the purpose of performing the Asset Purchase Agreement, the Bank agreed to enter into the Asset Transfer Agreement with the Trustee in accordance with the joint instructions of the Purchasers.

TRUST AGREEMENT AND ASSET TRANSFER AGREEMENT

The Investors entered into the Trust Agreement with the Trustee pursuant to which each Investor appointed the Trustee to, among other things, on its behalf acquire from the Bank the Target Assets, manage and dispose of the Target Assets, and pay the net sale proceeds thereof to the Bank by way of gift in accordance with the joint instructions of the Investors during the period from the commencement of Entrustment to three months after completion of the Asset Transfer Agreement or such other date as agreed by the parties. The Entrustment commenced on 20 December 2010 and was terminated on 22 August 2011.

On 29 December 2010, the Bank as transferor and the Trustee as transferee entered into the Asset Transfer Agreement pursuant to which the Bank agreed to sell and the Trustee, on behalf of the Investors, agreed to purchase from the Bank the Target Assets at the total consideration of not exceeding RMB8,954.40 million (equivalent to approximately HK\$11,013.91 million), subject to adjustment, and subsequently to pay the net sale proceeds thereof to the Bank by way of gift.

TOTAL CONSIDERATION

The Total Consideration (including the Total Subscription Price and the Total Purchase Price) for the Transaction was fixed and offered by the Bank to the Investors, which the Directors consider fair and reasonable, having compared the price to earnings ratio and the price to book ratio of the Bank to other banks in the PRC.

The Total Consideration was financed by internal resources of the Group.

INFORMATION ON THE GROUP, THE BANK AND THE TRUSTEE

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

The Bank was established on 19 October 2005, which was the first provincial level joint-stock rural commercial bank approved by the State Council. The Bank is principally engaged in, among other things, providing banking and financial services to support the city's new countryside construction and urban-rural integration development.

Based on the information available to the Company, the audited consolidated net profits before and after tax of the Bank for the two years ended 31 December 2010 are set out below:

| | For the year ended 31 December 2009 | For the year ended 31 December 2010 |
|-------------------|---|---|
| | <i>Approximately RMB'000</i> | <i>Approximately RMB'000</i> |
| Profit before tax | 940,125 (approximately HK\$1,156,354,000) | 1,234,390 (approximately HK\$1,518,300,000) |
| Profit after tax | 651,973 (approximately HK\$801,927,000) | 967,232 (approximately HK\$1,189,695,000) |

Based on the information available to the Company, the audited consolidated net asset value of the Bank as at 31 December 2010 amounted to approximately RMB12,811,227,000 (approximately HK\$15,757,809,000).

The Trustee promoted by the Ministry of Finance of the PRC and was established as a limited liability company in the PRC on 29 June 2010 with approval of the State Council. The Trustee is principally engaged in, among other things, acquiring, managing, investing in or disposing of non-performing assets acquired from financial or non-financial institutions, providing bankruptcy and winding-up management services and providing financial, legal, investment, risk management advice and consultancy services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Bank, the Trustee and the eight other Investors and their respective ultimate beneficial owners is a third party independent of, and not connected with, the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

It has been the Company's strategic investment policy to make diversified investments in non-property development related businesses such as financial institutions. In this regard, the Directors have actively identified potential investment opportunities to maximise the return to the shareholders of the Company. Having considered that the Bank undertaking capital increase and asset reorganisation in support of its long term development, the Directors are of the view that the Bank has a good potential for listing, which if materialized, may enable the Group to benefit from the increase in the value of the Group's stake in the Bank. The Transaction is therefore considered to be in line with the Group's corporate strategic investment policy.

Based on the audited accounts of the Bank for the year ended 31 December 2010, its net asset value as at 31 December 2010 was approximately RMB12,811,227,000.

The Transaction represents an opportunity for the Group to invest in the promising rural credit/banking industry in the PRC. The Board believes that the Transaction could provide a good return to the Company and its shareholders in the long run.

The Board (including the independent non-executive Directors) considers that the Transaction was made on normal commercial terms and after arm's length negotiation, the terms of the Agreements were fair and reasonable and the Transaction is in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The Asset Purchase was a prerequisite for the Subscription. One or more of the percentage ratios of the Subscription and the Asset Purchase, aggregated pursuant to Rule 14.22 of the Listing Rules exceeds 5% but none of them exceeds 25%, therefore the Transaction constitutes a discloseable transaction for the Company under the Listing Rules.

NON-COMPLIANCE WITH LISTING RULES

As disclosed in the 2010 Annual Report, the investment was yet to be confirmed by the PRC financial institution (i.e. the Bank) as at the date of such report. As further disclosed in both the 2010 Annual Report and the 2011 Interim Report, the amount paid to the Bank was classified in the Company's financial statements as deposit paid for a proposed investment.

Despite the fact that the signed Agreements were delivered by the Group to the Bank in December 2010 and the Total Consideration was paid by the Group by 7 January 2011, the Board considered the Total Consideration paid under the Agreements as a refundable deposit because the money was held in the Escrow Account pending finalisation of the terms of various agreements of the Transaction. The Board believed there was a moderate possibility of the Transaction not being materialized given the

high level of complexity and uncertainty involving the Transaction. Such complexity and uncertainty included the implementation of the Entrustment, the valuation of the Target Assets, the disposal of the Target Assets on terms to be agreed with the Bank and the price adjustments to the Subscription and Asset Purchase. The Group was subsequently notified of the finalization of terms of the Agreements and completion of the Transaction on or around 26 August 2011. Information available to the Group at the time when it applied to the Bank for the Subscription Shares and the corresponding Target Assets on 20 December 2010 indicated that the Total Subscription Shares would represent 4.73% equity interest in the Bank as enlarged by the Subscription. After completion of the Transaction, the Group noticed that the Total Subscription Shares represented 4.99% of the issued share capital of the Bank.

According to Rule 14.34 of the Listing Rules, the Company must inform the Stock Exchange and publish an announcement once the Agreements have been finalised, failing to do so constituted a breach of the Listing Rules.

Until notification of finalization of the terms of the Agreements and completion of the Transaction on or around 26 August 2011, the Company had treated the Group's payment of the Total Consideration as a deposit for a proposed investment based on the fact that binding agreement for the Transaction had not yet been exchanged between the Bank and the Group. The investment in the Bank was disclosed as proposed investment of the Group and the Total Consideration paid by the Group was disclosed as "Deposit for proposed investment" in the 2010 Annual Report and the 2011 Interim Report. Thereafter, due to misunderstanding and insufficient communication amongst the officers handling the Transaction and the officers responsible for compliance matters (including the Listing Rules compliance), the Company mistakenly believed that the aforesaid disclosure made in the 2010 Annual Report and the 2011 Interim Report was sufficient for the purpose of compliance with the Listing Rules and was not aware of the breach of Rule 14.34 of the Listing Rules. Such non-compliance came to the notice of the Board in March of 2012 in the course of auditing the Company's financial results for the year ended 31 December 2011. The Board considers that the failure to comply with Rule 14.34 of the Listing Rules on a timely basis, which was inadvertent and regretful, is an isolated event. After seeking advice from its lawyers, the Board took immediate remedial measures to re-comply with the requirements of the Listing Rules by notifying the Stock Exchange and publishing this announcement to set out the details of the Transaction. The Company will take steps to tighten its compliance system in order to prevent the recurrence of similar event. These measures will include (i) improvement of the reporting steps and logistics management and strengthening of the reporting responsibility by designating officers in each of the Finance and Investment Management Department and the Development and Management Department which, in respect of the Group's proposed major investments/transactions, is responsible for conducting feasibility studies, collection of the relevant information and data, preparation of reporting documents and submission of the relevant information and documents to the Investment Decision Committee (comprising members of the senior management of the Group and at least one executive Director) for review and preliminary assessment; (ii) improvement of the reporting-in-advance and regulatory compliance checking mechanism by involving the Regulatory Compliance Department, comprising members of the senior management of the Group, right after the preliminary assessment of the proposed investments or transactions by the Investment Decision Committee for considering the applicable requirements under the Listing Rules and commencement of all preparatory works in relation to regulatory compliance pending the Board's approval of the relevant investments or transactions; and (iii) strengthening the Directors' supervision of the regulatory compliance process and procedures in respect of the Group's investments or transactions to ensure timely compliance and accuracy in

information disclosure; and (iv) conducting trainings to keep the management of the Company and the relevant officers updated of the latest compliance requirements of the Listing Rules. The Directors, including the independent non-executive Directors, will also closely monitor any proposed investment in the future to ensure such transaction will comply with the requirements of the Listing Rules.

DEFINITIONS

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| “Agreements” | the Subscription Agreements and the Asset Purchase Agreement |
| “Asset Purchase” | the acquisition of an undivided share of the Target Assets in proportion to the number of Subscription Shares by Zhongxian International and Shanghai Dazhan at the Total Purchase Price as contemplated under the Asset Purchase Agreement |
| “Asset Purchase Agreement” | the agreement dated as of 20 December 2010 and entered into among the Bank (as vendor) and Zhongxian International, Shanghai Dazhan and eight other corporate investors (as purchasers) (collectively, the “Purchasers” or the “Investors”), as supplemented from time to time, pursuant to which the Bank agreed to sell and the Purchasers agreed to purchase their respective undivided share of the Target Assets at a purchase price equivalent to 200% of the subscription price payable by the Purchasers for their respective share subscription with the Bank |
| “Asset Transfer Agreement” | the agreement entered into between the Bank (as transferor) and the Trustee (as transferee) on 29 December 2010 pursuant to which the Bank agreed to sell and the Trustee, on behalf of the Investors, agreed to purchase the Target Assets and subsequently pay the sale proceeds thereof to the Bank by way of gift |
| “Bank” | Beijing Rural Commercial Bank Co., Ltd.* (北京農村商業銀行股份有限公司) |
| “Board” | board of Directors |
| “Business Day(s)” | a day on which banks are open for business in China, excluding a Saturday or a Sunday or a public holiday |
| “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 |
| “connected person(s)” | has the meaning ascribed to such term under the Listing Rules |
| “Director(s)” | the director(s) of the Company |

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| “Entrustment” | the entrustment arrangement between the Trustee and the Purchasers in relation to the Target Assets as contemplated under the Trust Agreement |
| ”Escrow Account” | the bank account designated by the Bank for the Investors (including Zhongxian International and Shanghai Dazhan) to deposit their share subscription money and purchase price for the Target Assets (including the Total Consideration) pending completion of the Transaction |
| “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 PRC |
| “Listing Rules” | Rules Governing the Listing of Securities on the Stock Exchange |
| “PBOC” | the People’s Bank of China |
| “PRC” or “China” | the People’s Republic of China |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “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 an indirect wholly-owned subsidiary of the Company |
| “Shanghai Dazhan Subscription Agreement” | the agreement dated as of 20 December 2010 and entered into between Shanghai Dazhan and the Bank pursuant to which Shanghai Dazhan agreed to subscribe for the Subscription Shares at the Subscription Price |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription” | the subscription for the Total Subscription Shares by Zhongxian International and Shanghai Dazhan as contemplated under the Subscription Agreements |
| “Subscription Price” or “Subscription Monies” | the subscription price of RMB238.35 million (equivalent to approximately HK\$293.17 million), subject to adjustment, paid by Zhongxian International or Shanghai Dazhan (as the case may be) in respect of the Subscription Shares |
| “Subscription Shares” | 238.35 million ordinary shares of the Bank subscribed by Zhongxian International or Shanghai Dazhan (as the case may be) |
| “Subscription Agreements” | collectively, Shanghai Dazhan Subscription Agreement and Zhongxian International Subscription Agreement |

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|-----------------------------|---|
| “Target Assets” | certain non-performing assets of the Bank, being the subject matter of the Asset Purchase Agreement |
| “Total Purchase Price” | an aggregate of RMB953.4 million (equivalent to approximately HK\$1,172.68 million) paid by the Group in relation to the Asset Purchase |
| “Total Subscription Price” | an aggregate of RMB476.7 million (equivalent to approximately HK\$586.34 million) paid by the Group in relation to the Subscription |
| “Total Subscription Shares” | an aggregate of 476.7 million ordinary shares of the Bank subscribed by the Group |
| “Total Consideration” | an aggregate of RMB1,430.1 million (equivalent to approximately HK\$1,759.02 million), being the Total Purchase Price and Total Subscription Price, paid by the Group in relation to the Transaction |
| “Transaction” | the Subscription and the Asset Purchase |
| “Trust Agreement” | the agreement dated as of 17 December 2010 as agreed by the Trustee and the Purchasers (including Zhongxian International and Shanghai Dazhan) pursuant to which the Purchasers agreed to appoint the Trustee as their trustee to, among other things, acquire from the Bank the Target Assets, manage and dispose of the Target Assets, and pay the sale proceeds thereof to the Bank by way of gift |
| “Trustee” | China Cinda Asset Management Co., Ltd (中國信達資產管理股份有限公司), a company established in the PRC and the trustee designated by the Bank and jointly appointed by the Purchasers |
| “Zhongxian International” | 中先國際控股有限公司 (Zhongxian International Company Limited*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company |

“Zhongxian International
Subscription Agreement”

the agreement dated as of 20 December 2010 and entered into between Zhongxian International and the Bank pursuant to which Zhongxian International agreed to subscribe for the Subscription Shares at the Subscription Price

“%”

per cent.

For the purpose of this announcement, RMB is translated into HK\$ at the exchange rate of RMB1: HK\$1.23

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

Hong Kong, 17 April 2012

As at the date of this announcement, the Board comprises nine directors. The executive directors are Mr. Chu Mang Yee (Chairman), Mr. Zhang Yi, Mr. Xiang Bin, Mr. Au Wai Kin, Mr. Liao Ruo Qing and Ms. Chu Kut Yung; 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*