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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>

**CONNECTED TRANSACTION
ACQUISITION OF COMPANY WHICH OWNS
A PARCEL OF LAND IN GUANGDONG PROVINCE OF THE PRC**

The Board announces that on 11 February 2015, Huizhou Yaxin, a wholly owned subsidiary of the Company entered into the Sale and Purchase Agreement with Ms. Chu and Mr. Chen, pursuant to which Huizhou Yaxin agreed to purchase, and Ms. Chu and Mr. Chen agreed to sell, the Target Interest at the total consideration of approximately RMB53,500,000 (equivalent to approximately HK\$67,945,000).

As Ms. Chu is a sister of Mr. Chu Mang Yee, an executive Director and the Chairman of the Company, and an aunt of Ms. Chu Kut Yung, an executive Director and the Deputy Chairman of the Company, Ms. Chu is a connected person of the Company and the Zhongfu Acquisition constitutes a connected transaction for the Company under the Listing Rules.

As one of the applicable percentage ratios of the Zhongfu Acquisition exceeds 0.1% but is less than 5%, the Zhongfu Acquisition is subject to reporting and announcement requirements but is exempt from circular and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

SALE AND PURCHASE AGREEMENT

Date: 11 February 2015

Parties: (1) Ms. Chu, as vendor;
(2) Mr. Chen, as vendor; and
(3) Huizhou Yaxin, as purchaser

As Ms. Chu is a sister of Mr. Chu Mang Yee, an executive Director and the Chairman of the Company, and an aunt of Ms. Chu Kut Yung, an executive Director and the Deputy Chairman of the Company, Ms. Chu is a connected person of the Company.

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, Mr. Chen is a third party independent of the Company and its connected persons.

Target Interest

Pursuant to the Sale and Purchase Agreement, (i) Huizhou Yaxin agreed to purchase, and Ms. Chu agreed to sell, 90% of the equity interests in the Target Company; and (ii) Huizhou Yaxin agreed to purchase, and Mr. Chen agreed to sell, 10% of the equity interests in the Target Company. After Completion, Huizhou Yaxin shall own 100% equity interest in the Target Company.

Consideration and settlement

The Consideration, which comprises the Debt Settlement Consideration and the Equity Interest Consideration, amounts to approximately RMB53,500,000 (equivalent to approximately HK\$67,945,000).

The Consideration will be settled by Huizhou Yaxin in the following manner:

- (a) Huizhou Yaxin shall pay the Equity Interest Consideration in cash to the Vendors in proportion to their respective shareholding in the Target Company on the date of Completion upon completion of the registration of the change of the shareholders of the Target Company with the governmental authorities of the PRC; and
- (b) Huizhou Yaxin shall pay the Debt Settlement Consideration in cash to the Target Company for settlement of the debts of the Target Group (in the total sum of approximately RMB43,873,970) within ten working days from the date of Completion.

The amount of the Debt Settlement Consideration is equivalent to the total amount of debts of the Target Group. Debts of the Target Group comprise RMB23,133,606.96 (equivalent to approximately HK\$29,380,000) owed to Ms. Chu and RMB20,740,363 (equivalent to approximately HK\$26,340,000) owed to a contractor which is a third party independent of the Company and its connected persons.

The amount of the Equity Interest Consideration is an amount representing a discount of approximately 41% to the unaudited consolidated net asset value of the Target Company as at 30 November 2014 after making an adjustment of the value of the Property to RMB63,000,000 (equivalent to approximately HK\$80,010,000) based on the Property Valuation Report and, for prudence sake, provisions of approximately RMB3,967,000 (equivalent to approximately HK\$5,038,000) for deferred tax.

The Consideration was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to the Property Valuation Report, unaudited consolidated balance sheet of the Target Company as of 30 November 2014 and the Target Group's debts of approximately RMB43,873,970 (equivalent to approximately HK\$55,720,000).

Under the Property Valuation Report, the market value of the Property as at 30 November 2014 amounts to RMB63,000,000 (equivalent to approximately HK\$80,010,000). Based on the unaudited consolidated balance sheet of the Target Company as of 30 November 2014 with adjustment of the value of the Property to RMB63,000,000 (equivalent to approximately HK\$80,010,000) and provisions of approximately RMB3,967,000 (equivalent to approximately HK\$5,038,000) for deferred tax, the adjusted unaudited consolidated net asset value of the Target Company as at 30 November 2014 is approximately RMB16,316,000 (equivalent to approximately HK\$20,721,000).

It is expected that the Group will finance the Zhongfu Acquisition by its internal resources.

Completion

Completion shall take place on the twentieth business day from the signing of the Sale and Purchase Agreement or such later date as the parties to the Sale and Purchase Agreement may agree.

After Completion, members of the Target Group will become wholly-owned subsidiaries of the Company and their financial results will be consolidated with that of the Group.

INFORMATION ON THE TARGET GROUP AND THE PROPERTY

The Target Group comprises the Target Company, a limited liability company incorporated in the PRC which is engaged in real estate and infrastructure investment, and Huidong Zhongfu, a limited liability company incorporated in the PRC which is engaged in real estate development and investment and a wholly owned subsidiary of the Target Company. Huidong Zhongfu owns the land use rights in respect of and the legal title to the Property. The Target Group has no operations and the Property is the major asset of the Target Group.

The Property has a site area of 69,971.96 sq.m. and a permissible gross floor area of 97,733.08 sq.m. Land use rights of the Property have a term of 40 years for commercial use and 70 years for residential use. All land premium of the Property has been duly paid and settled.

The audited consolidated net asset value of the Target Company as at 31 December 2013 amounts to approximately RMB7,575,000 (equivalent to approximately HK\$9,620,000).

According to the audited consolidated financial statements of the Target Company for the two financial years ended 31 December 2013, it recorded net losses of approximately RMB546,000 (equivalent to approximately HK\$693,000) and RMB1,887,000 (equivalent to approximately HK\$2,396,000) respectively.

The original cost of acquisition of 90% interest in the Target Company to Ms. Chu amounts to RMB9,009,000 (equivalent to approximately HK\$11,441,000).

INFORMATION ON THE GROUP AND REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the development of residential properties in Mainland China. The Group is also engaged in property investment, hotel operations and property management.

Since 1995, the Group has started to establish its brand on a nationwide scale through deploying appropriate corporate strategy and business model. The principal focus is on three core economic zones, namely Pearl River Delta, Huanbohai area and Yangtze River Delta, with Guangzhou, Beijing, Tianjin and Shanghai as the core cities.

The Property is located at Renshan Town, Huidong County, Huizhou City, Guangdong Province. It is expected that upon completion of the Eastern Extension of Guangzhou-Huizhou Expressway* (廣惠高速公路東延線), Xiamen-Shenzhen Railway* (厦深鐵路) and Prefectural Highway 207 to Daya Bay Economic and Technological Development Zone* (通往大亞灣經濟技術開發區的207縣道), Renshan Town will become an important transport hub of East Guangdong and Huizhou.

Huidong makes up an important part of the Group's planning in Southern China. The management plans to develop the Property as a bayside resort with apartments, villas and land use for high end commercial and tourism services (the "**Project**"). It is expected that the Project will enhance the brand image of the Group and its reputation of real estate in the nearby region, which in turn may promote the sales of the Group's property development projects in Huidong. The Project will also increase the diversity of the Group's property development projects in Southern China. It is expected that the Zhongfu Acquisition and the Project will bring synergy to the Group so that the Group's projects in Huicheng, Daya Bay and Huidong will complement each other.

The terms of the Sale and Purchase Agreement were determined after arm's length negotiations between the parties. The Directors (including the independent non-executive Directors) consider that the Group entered into the Sale and Purchase Agreement in its ordinary course of business, the terms of the Sale and Purchase Agreement are normal commercial terms and are fair and reasonable and the Zhongfu Acquisition is in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As Ms. Chu is a sister of Mr. Chu Mang Yee, an executive Director and the Chairman of the Company, and an aunt of Ms. Chu Kut Yung, an executive Director and the Deputy Chairman of the Company, Ms. Chu is a connected person of the Company and the Zhongfu Acquisition constitutes a connected transaction for the Company under the Listing Rules.

As one of the applicable percentage ratios of the Zhongfu Acquisition exceeds 0.1% but is less than 5%, the Zhongfu Acquisition is subject to reporting and announcement requirements but is exempt from circular and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

Since the Zhongfu Acquisition constitutes a connected transaction for the Company due to the connection between one of the Vendors, Mr. Chu Mang Yee and Ms. Chu Kut Yung, each of them abstained from voting on the resolutions of the Board for approving, among other things, the Sale and Purchase Agreement and the Zhongfu Acquisition.

DEFINITIONS

Terms used in this announcement shall have the meanings as those defined below:

“Board”	the board of Directors
“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 Zhongfu Acquisition pursuant to the Sale and Purchase Agreement
“connected person(s)”	has the meaning as ascribed to this term under the Listing Rules
“Consideration”	the total consideration of RMB53,499,999.96 (equivalent to approximately HK\$67,945,000) which shall be payable by Huizhou Yaxin under the Zhongfu Acquisition
“Debt Settlement Consideration”	RMB43,873,969.96 (equivalent to approximately HK\$55,720,000)
“Directors”	the directors of the Company
“Equity Interest Consideration”	RMB9,626,030 (equivalent to approximately HK\$12,225,000)
“Group”	the Company and its subsidiaries
“Huidong Zhongfu”	Huidong Zhongfu Real Estate Co., Ltd* (惠東中福置業有限公司), a company incorporated in the PRC with limited liability
“Huizhou Yaxin”	Huizhou Yaxin Real Estate Company Limited* (惠州市亞新房地產有限公司), a company incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chen”	Mr. Chen Zhong
“Ms. Chu”	Ms. Chu Kam Lai

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	a parcel of bare land located at Changkeng, Yapojiao, Chuan’ao Village, Renshan Town, Huidong County, Huizhou City, Guangdong Province, the PRC with a total site area of 69,971.96 sq.m.
“Property Valuation Report”	the report on the market value of the Property as at 30 November 2014, using the direct comparison approach as the valuation method, issued by DTZ Debenham Tie Leung Limited, an independent property valuer, dated 11 February 2015
“Sale and Purchase Agreement”	the sale and purchase agreement dated 11 February 2015 and entered into between Huizhou Yaxin as purchaser and Ms. Chu and Mr. Chen as vendors in relation to the sale and purchase of the Target Interest
“Shareholders”	shareholders of the Company
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Guangdong Zhongfu Real Estate Investment Co., Ltd.* (廣東中福地產投資有限公司), a company incorporated in the PRC with limited liability
“Target Group”	the Target Company and Huidong Zhongfu
“Target Interest”	100% equity interest in the Target Company
“Vendors”	Ms. Chu and Mr. Chen
“Zhongfu Acquisition”	the acquisition of the Target Interest by Huizhou Yaxin from the Vendors pursuant to the Sale and Purchase Agreement

Note: In this announcement, the conversion of RMB into HK\$ has been made at a rate of RMB1: HK\$1.27. Such conversion should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.

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

Hong Kong, 11 February 2015

As at the date of this announcement, the Board comprises nine directors. The executive directors are Mr. Chu Mang Yee (Chairman), Ms. Chu Kut Yung (Deputy Chairman), Mr. Au Wai Kin, Mr. Liao Ruo Qing, Mr. Xie Bao Xin and Mr. Bao Wenge; and the independent non-executive directors are Mr. Lee Tsung Hei, David, Mr. Wong Sing Kay, Oliver and Mr. Tan Leng Cheng, Aaron.

** For identification purposes only*