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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>

CONTINUING CONNECTED TRANSACTIONS

BACKGROUND

The 2012 Framework Agreement expired on 31 December 2014. Since the Group expects to continue certain recurring transactions contemplated under the 2012 Framework Agreement and to enter into certain new recurring transactions with the Hanjiang Group in the three financial years ending 31 December 2017, the Company entered into the 2015 Framework Agreement with Hanjiang to govern the Transactions on 22 April 2015.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Hanjiang is directly held as to 99% by Mr. Chu Yat Hong who is a son of Mr. Chu and a brother of Ms. Chu. Mr. Chu Yat Hong also indirectly owns approximately 17.61% of the shares of the Company. Accordingly, Hanjiang is a connected person of the Company under the Listing Rules and the 2015 Framework Agreement and the Transactions constitute continuing connected transactions of the Company under the Listing Rules.

As certain applicable percentage ratios (other than the profits ratio) of the 2015 Annual Cap exceed 5%, the Framework Agreement and the Transactions constitute non-exempt continuing connected transactions of the Company and the 2015 Framework Agreement, the Transactions and the Annual Caps are subject to reporting, announcement, circular, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The Company proposes to seek the Independent Shareholders' approval of the 2015 Framework Agreement, the Transactions and the Annual Caps for the three financial years ending 31 December 2017 at the SGM. Each of Sounda, Hopson Education Funds and Farrich will abstain from voting at the SGM.

GENERAL

The Independent Board Committee has been formed to advise the Independent Shareholders and Beijing Securities has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2015 Framework Agreement, the Transactions and the Annual Caps.

A circular containing, *inter alia*, details of the 2015 Framework Agreement, the Transactions and the Annual Caps, the letter from Beijing Securities, the recommendation of the Independent Board Committee and a notice convening the SGM is expected to be despatched to the Shareholders on or before 14 May 2015.

A. BACKGROUND

The 2012 Framework Agreement expired on 31 December 2014. Since the Group expects to continue certain recurring transactions contemplated under the 2012 Framework Agreement and to enter into certain new recurring transactions with the Hanjiang Group in the three financial years ending 31 December 2017, the Company entered into the 2015 Framework Agreement with Hanjiang to govern the Transactions on 22 April 2015.

B. THE TRANSACTIONS

1. Services to be provided/premises to be leased by the Hanjiang Group to the Group pursuant to the 2015 Framework Agreement:

Construction:

The appointment of the Hanjiang Group by the Group to carry out construction work for the Group's property development projects ("**Transaction 1**").

Construction supervision:

The appointment of the Hanjiang Group by the Group to supervise the construction of the Group's property development projects ("**Transaction 2**").

Electricity installation, low voltage system and intelligent building system installation and consultancy service on budgeting and cost control for construction work:

The appointment of the Hanjiang Group by the Group to carry out electricity installation and low voltage system and intelligent building system installation for the Group's property development projects and to provide the Group with consultancy service on budgeting for tenders and cost control for its construction work ("**Transaction 3**").

Office lease:

The lease of commercial premises in Guangzhou and Shanghai by the Hanjiang Group to the Group ("**Transaction 4**").

Informatization and computerization related services:

The appointment of the Hanjiang Group by the Group to set up the information technology infrastructure and maintain the servers of the Group, to supply information and computer system related products and facilities to the Group and to provide the Group with consultancy service, staff training and technical support for the information technology and computer systems of the Group ("**Transaction 5**").

2. Services to be provided/premises to be leased by the Group to the Hanjiang Group pursuant to the 2015 Framework Agreement:

Building design:

The appointment of the Group by the Hanjiang Group to carry out construction and building design works for the property development projects of the Hanjiang Group ("**Transaction 6**").

Management of vacant properties and delivery of sold property units to purchasers:

The appointment of the Group by the Hanjiang Group to manage vacant properties developed by the Hanjiang Group and to handle the delivery of sold property units of the Hanjiang Group in Guangdong Province, Beijing, Xi'an and Shanghai to purchasers ("**Transaction 7**").

Shop and office lease:

The lease of shop and office premises in Guangzhou by the Group to the Hanjiang Group ("**Transaction 8**").

C. PRINCIPAL TERMS OF THE 2015 FRAMEWORK AGREEMENT

On 22 April 2015, the Company and Hanjiang entered into the 2015 Framework Agreement, which set out, among other things, the principal terms of the Transactions as follows:

Date: 22 April 2015

Parties: 1. the Company
2. Hanjiang

Scope of services: 1. Hanjiang shall procure the relevant member(s) of the Hanjiang Group or their respective sub-contractors to perform the services set out in paragraph 1 of the section headed “B. The Transactions” of this announcement and shall procure the relevant member(s) of the Hanjiang Group to lease certain office premises to the Group.
2. The Company shall procure the relevant member(s) of the Group or their respective sub-contractors to perform the services set out in paragraph 2 of the section headed “B. The Transactions” of this announcement and shall procure the relevant member(s) of the Group to lease certain shop and office premises to the Hanjiang Group.

Term: For a term commencing from the date when it becomes unconditional and ending on 31 December 2017.

Condition precedent: The 2015 Framework Agreement is conditional upon the Company having obtained the approval of the Independent Shareholders at a general meeting of the Company.

Specific terms for the Transactions: The Group and the Hanjiang Group will procure their respective members to enter into a separate sales contract or agreement for each of the engagements/orders/leases in respect of each of the Transactions. The sales contracts or agreements will contain specific terms of the engagements/orders/leases which are consistent with the terms and principles set forth in the 2015 Framework Agreement. In general, the terms of the engagements/orders/leases in respect of the Transactions must be fair and reasonable so far as the Group is concerned and each individual sales contract or agreement that the Group and the Hanjiang Group will enter into must pass through the Group's internal approval procedures to ensure that each of such engagements/orders/leases will be of normal commercial terms offered by Independent Third Parties or better so far as the Group is concerned.

D. DETAILS OF THE TRANSACTIONS

Set out below are particulars of the Transactions and the relevant pricing bases set out in the 2015 Framework Agreement:

1. Transaction 1 — Construction

Scope: The Group agrees to appoint the Hanjiang Group to carry out construction work for the Group's property development projects.

Bases for determining price and other terms:	<p>The construction fees payable by the Group to the Hanjiang Group and the other terms for carrying out construction work of the property development projects of the Group in the PRC will be determined with reference to the terms offered by Independent Third Parties for providing similar services and the latest stipulated standards and guidelines prescribed by 建設委員會 (Construction Committee) of where the project is located, such as 北京市建設工程計價依據 — 預算定額 (Costing Basis of Construction and Installation Works, Beijing Municipal — Base Price Budgeting) published by 北京市建設委員會 (Construction Committee of Beijing Municipal) in 2012 for property projects in Beijing, 廣東省建設工程計價依據(2010年) (Costing Basis of Construction and Installation Works, Guangdong Province (2010)) published by 廣東省建設廳 (Construction Department of Guangdong Province) in 2010 for property projects in Guangzhou.</p>
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2. Transaction 2 — Construction supervision

Scope:	<p>The Group agrees to appoint the Hanjiang Group to supervise the construction of the Group's property development projects.</p>
Bases for determining price and other terms:	<p>The fees payable by the Group to the Hanjiang Group and the other terms for supervising the construction of property development projects of the Group will be determined with reference to the terms offered by Independent Third Parties for providing similar services and the latest standards and guidelines prescribed in the PRC, such as 建設工程監理與相關服務收費標準 (Construction Project Supervision and Related Services Fees Standard) published by 發展和改革委員會 (Development and Reform Commission) and 建設部 (Ministry of Construction) in 2007.</p>

3. Transaction 3 — Electricity installation, low voltage system and intelligent building system installation and consultancy service on budgeting and cost control for construction work

Scope: The Group agrees to appoint the Hanjiang Group to carry out electricity installation, low voltage system and intelligent building system installation work for the Group's property development projects and to provide the Group with consultancy service on budgeting for tenders and cost control for its construction work.

Low voltage system and intelligent building system installation works include installation of visual walkie-talkie system, CCTV system, music broadcast system, security system, car park automatic management system, telephone system, mobile signal coverage system, television antenna system and procurement and installation of the related facilities.

Consultancy service on budgeting for tenders and construction cost control include evaluation and formulation of the base price for projects that the Group proposes to put up for public tender, preparation for the Group's tender invitations and assistance in the evaluation of the bidders, formulation of the budgets and formulation of cost control plans for the Group's property development projects.

Bases for determining price and other terms: The fees payable by the Group to the Hanjiang Group and the other terms for carrying out electricity installation works for the property development projects of the Group will be determined with reference to the terms offered by Independent Third Parties for providing similar services and the latest standards and guidelines prescribed by the relevant governmental authorities of where the project is located, such as 廣東省建設工程計價依據(2010年) (Costing Basis of Construction and Installation Works, Guangdong Province (2010)) published by 廣東省建設廳 (Construction Department of Guangdong Province) in 2010.

The fees payable by the Group to the Hanjiang Group and the other terms for carrying out low voltage system and intelligent building system installation works for the property development projects of the Group in the PRC will be determined with reference to the terms offered by Independent Third Parties for providing similar services and the latest standards and guidelines prescribed by the relevant governmental authorities of where the project is located, such as 北京市建設工程計價依據 — 預算定額 (Costing Basis of Construction and Installation Works, Beijing Municipal — Base Price Budgeting) and 通信建設工程預算定額 (2008年) (Basis for fee Calculation for Communication Construction Project (2008)) published by 北京市建設委員會 (Construction Committee of Beijing Municipal) in 2012 and 2008, respectively, for projects in Beijing, and 廣東省建設工程計價依據(2010年) (Costing Basis of Construction and Installation Works, Guangdong Province (2010) and 廣州地區建設工程常用材料綜合價格(2014年) (Comprehensive Pricing for Commonly Used Materials for Construction Projects in Guangzhou (2014)) published by 廣東省建設廳 (Construction Department of Guangdong Province) in 2010 and 2014, respectively, for projects in Guangdong Province.

For procurement of equipment for the low voltage system and intelligent building system, a mark-up of 1%–3% on the price of the equipment procured will be charged.

The fees payable by the Group to the Hanjiang Group for the consultancy fee and the other terms for compiling budgets for tenders and construction cost control will be determined with reference to the latest standards and guidelines prescribed by the relevant governmental authorities of where the project is located, such as 招標代理服務收費標準 (Standard Fees for Tender Agencies) issued by the 北京市發展和改革委員會 (Beijing Municipal Commission of Development and Reform) in 2002 in respect of the provision of services to assist in the tender process and 工程造價諮詢服務收費管理暫行辦法 (Provisional Administrative Measures on Consultation Fees for Construction Budgeting) issued by 住房和城鄉建設部 (Ministry of Housing and Urban-rural Development) in 2007 in respect of the provision of budgeting services.

4. Transaction 4 — Office lease

Scope:	The Hanjiang Group agrees to lease certain commercial premises in Guangzhou and Shanghai to the Group for office use.
Bases for determining rental and other terms:	The rent payable by the Group to the Hanjiang Group and the other terms will be determined with reference to the prevailing market rents paid by and the other terms available to the Group for leasing the premises in the same building (or in the event that no such lease is available in the same building, reference should be made to the leases of premises of similar types and similar grading in the same region) from Independent Third Parties.

5. Transaction 5 — Informatization and computerization related services

Scope:	The Group agrees to appoint the Hanjiang Group to set up the information technology infrastructure and maintain the servers of the Group, to supply information and computer system related products and facilities to the Group and to provide the Group with consultancy service, staff training and technical support for the information technology and computer systems of the Group.
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Bases for determining price and other terms:	The fees payable by the Group to the Hanjiang Group for the set up of the informatization infrastructure and maintenance of servers of the Group and provision of consultancy service, staff training and technical support for the information technology and computer systems of the Group, the purchase price/rents payable by the Group for the purchase/lease of products and facilities from the Hanjiang Group and the other terms will be determined with reference to the terms offered by Independent Third Parties for providing similar services/products.
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6. Transaction 6 — Building design

Scope:	The Hanjiang Group agrees to appoint the Group to carry out construction and building design works for the property development projects of the Hanjiang Group.
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Bases for determining price and other terms:	The fees payable by the Hanjiang Group to the Group and the other terms will be determined by the parties with reference to the terms offered by Independent Third Parties for undertaking similar design projects and the latest standards and guidelines prescribed by the relevant local authority on the fees and other terms for providing similar services (if any).
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7. Transaction 7 — Management of vacant properties and delivery of sold property units to purchasers

Scope:	The Hanjiang Group agrees to appoint the Group to manage vacant properties developed by the Hanjiang Group and to handle the delivery of sold property units of the Hanjiang Group in Guangdong Province, Beijing, Xi'an and Shanghai to purchasers.
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Bases for
determining price
and other terms:

The management fees payable by Hanjiang Group to the Group and the other terms will be determined with reference to related costs of the Group, the prevailing market rates charged by and the other terms offered by Independent Third Parties for providing similar services for properties of similar grading in the same region and the latest standards on property management and the property pricing guidelines prescribed by the local government of where the particular property is located, such as 關於物業服務收費管理辦法 (Measures on the Administration of Property Service Charges) jointly issued by 廣東省物價局 (Price Control Administrative Bureau of Guangdong Provincial) and 廣東省住房城鄉建設廳 (Department of Housing and Urban-rural Development of Guangdong Province) in 2010, 北京市物業服務收費管理辦法 (Measures on the Administration of Property Service Charges, Beijing Municipal) issued by 發展和改革委員會 (Development and Reform Commission) in 2005, 陝西省住宅小區物業服務指導標準 (Guiding Standard for Property Services in Small Residential Communities, Shaanxi Province) issued by 陝西省住房和城鄉建設廳 (Department of Housing and Urban-rural Development of Shaanxi Province) in 2011, 陝西省物業服務收費管理辦法 (Measures on the Administration of Property Service Charges, Shaanxi Province) jointly issued by 陝西省物價局 (Price Control Administration Bureau of Shaanxi Province) and 陝西省住房和城鄉建設廳 (Department of Housing and Urban-rural Development of Shaanxi Province) in 2011, 上海市住宅物業服務分等收費標準 (Charging Standard by Grades for Residential Property Service Charges, Shanghai Municipal) and 上海市住宅物業服務分等收費管理暫行辦法 (Temporary Measures on the Administration of Residential Property Service Charges by Grading, Shanghai Municipal) jointly issued by 上海市物價局 (Price Control Administrative Bureau of Shanghai Municipal) and 上海市房屋土地資源管理局 (Land Resources & Housing Administrative Bureau of Shanghai Municipal) in 2005.

8. Transaction 8 — Shop and office lease

Scope:	The Group agrees to lease certain premises located in Guangzhou to the Hanjiang Group for use as shops and offices.
Bases for determining rental and other terms:	The rent payable by the Hanjiang Group to the Group and the other terms will be determined with reference to the market rents received and the other terms offered by the Group to other lessees who are Independent Third Parties for leasing premises in the same building (or in the event that no such lease is available in the same building, reference should be made to the leases of premises of similar types and similar grading in the same region).

E. INTERNAL CONTROL MEASURES

To ensure that the terms of the individual sales contract or agreement in respect of the Transactions proposed to be entered into by the Group are fair and reasonable and are normal commercial terms or better so far as the Group is concerned, the cost centre of the Group will, before the Group enters into any individual sales contract or agreement in respect of the Transactions with the Hanjiang Group, first obtain quotations and other key terms for providing goods/services/leases of similar level and types from at least two Independent Third Parties for reference. The relevant operational team of the Group will then review and evaluate the terms proposed to be offered by/to the Hanjiang Group to/by our Group and compare such terms with that obtained from the Independent Third Parties. The operational team head will be responsible for approving the individual sales contract or agreement in respect of the Transactions to ensure that each of the engagements/orders/leases in respect of each of the Transactions will be of normal commercial terms offered by Independent Third Parties or better so far as the Group is concerned.

In addition, the cost centre of the Group will regularly collect and keep the relevant operational team informed of the latest standards and guidelines published by the relevant governmental authorities in the PRC that are relevant to the Transactions.

The Directors are of the view that the internal approval procedure and internal control measures adopted by the Group set out in the above are effective in ensuring that the Transactions will be conducted on normal commercial terms or better so far as the Group is concerned and such terms will be fair and reasonable to the Company and the Shareholders as a whole.

F. PROPOSED ANNUAL CAPS

- (I) It is proposed that the Annual Caps for the Transactions under the 2015 Framework Agreement in respect of each of the three financial years ending 31 December 2017 shall be RMB716,334,000 (equivalent to approximately HK\$909,744,000), RMB663,570,000 (equivalent to approximately HK\$842,734,000) and RMB639,242,000 (equivalent to approximately HK\$811,837,000), respectively.
- (II) Set out below are the breakdown of the Annual Caps proposed by the management of the Company for each of the three financial years ending 31 December 2017:

Transactions	2015 Annual Cap	2016 Annual Cap	2017 Annual Cap
<i>A. Services to be provided/premises to be leased by the Hanjiang Group to the Group pursuant to the 2015 Framework Agreement:</i>			
1. Transaction 1 — Construction	RMB424,027,000 (equivalent to approximately HK\$538,514,000)	RMB430,017,000 (equivalent to approximately HK\$546,122,000)	RMB415,985,000 (equivalent to approximately HK\$528,301,000)
2. Transaction 2 — Construction supervision	RMB12,291,000 (equivalent to approximately HK\$15,610,000)	RMB8,005,000 (equivalent to approximately HK\$10,166,000)	RMB5,341,000 (equivalent to approximately HK\$6,783,000)
3. Transaction 3 — Electricity installation, low voltage system and intelligent building system installation and consultancy service on budgeting and cost control for construction work	RMB179,950,000 (equivalent to approximately HK\$228,536,000)	RMB125,068,000 (equivalent to approximately HK\$158,836,000)	RMB114,296,000 (equivalent to approximately HK\$145,156,000)
4. Transaction 4 — Office lease	RMB9,296,000 (equivalent to approximately HK\$11,806,000)	RMB9,296,000 (equivalent to approximately HK\$11,806,000)	RMB10,052,000 (equivalent to approximately HK\$12,766,000)

Transactions	2015 Annual Cap	2016 Annual Cap	2017 Annual Cap
5. Transaction 5 — Informatization and computerization related services	RMB60,402,000 (equivalent to approximately HK\$76,710,000)	RMB63,422,000 (equivalent to approximately HK\$80,546,000)	RMB66,592,000 (equivalent to approximately HK\$84,572,000)
<i>B. Services to be provided/premises to be leased by the Group to the Hanjiang Group pursuant to the 2015 Framework Agreement:</i>			
6. Transaction 6 — Building design	RMB8,852,000 (equivalent to approximately HK\$11,242,000)	RMB7,009,000 (equivalent to approximately HK\$8,901,000)	RMB6,742,000 (equivalent to approximately HK\$8,562,000)
7. Transaction 7 — Management of vacant properties and delivery of sold property units to purchasers	RMB18,910,000 (equivalent to approximately HK\$24,016,000)	RMB18,310,000 (equivalent to approximately HK\$23,254,000)	RMB17,710,000 (equivalent to approximately HK\$22,492,000)
8. Transaction 8 — Shop and office lease	RMB2,606,000 (equivalent to approximately HK\$3,310,000)	RMB2,443,000 (equivalent to approximately HK\$3,103,000)	RMB2,524,000 (equivalent to approximately HK\$3,205,000)
Total:	RMB716,334,000 (equivalent to approximately <u>HK\$909,744,000</u>)	RMB663,570,000 (equivalent to approximately <u>HK\$842,734,000</u>)	RMB639,242,000 (equivalent to approximately <u>HK\$811,837,000</u>)

(III) The management of the Company determined the proposed Annual Caps based on the estimated annual transaction amounts for each of the three financial years ending 31 December 2017 in respect of each of the Transactions. Set out below are the bases upon which such annual transaction amounts were estimated:

Transaction 1 — Construction

The relevant estimated transaction amounts were assessed based on (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the management's estimation of the aggregate gross floor area of the property units in Guangzhou, Beijing and other Eastern areas of the PRC, the

construction of which are expected to be carried out by the Hanjiang Group for the relevant years; and (iii) the historical data relating to the Hanjiang Group carrying out construction work for the Group.

Transaction 2 — Construction supervision

The relevant estimated transaction amounts were assessed based on (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the Directors' estimation of the aggregate gross floor area of property units in Guangzhou, Beijing, Shanghai, Tianjin and other Eastern areas of the PRC, the construction work of which are expected to be supervised by the Hanjiang Group; and (iii) the historical data relating to provision of the construction supervision service by the Hanjiang Group to the Group.

Transaction 3 — Electricity installation, low voltage system and intelligent building system installation and consultancy service on budgeting and cost control for construction work

The relevant estimated transaction amounts, which combined the aggregate estimated fees payable for the electricity installation, low voltage system and intelligent building system installation and the consultancy service on budgeting and cost control for construction, were assessed based on (i) the relevant pricing bases under the 2015 Framework Agreement; (ii) the management's estimated aggregate gross floor area of the property development projects in Guangzhou, Beijing, Shanghai, Tianjin and other Eastern areas of the PRC that the Group expects to complete and for which the Group proposes to appoint the Hanjiang Group to carry out the electricity installation and intelligent building system installation work and to provide consultancy service on budgeting and cost control for construction work for the relevant year; and (iii) the historical data relating to the Hanjiang Group's provision of the same services to the Group.

Transaction 4 — Office lease

The relevant estimated transaction amounts were assessed based on (i) the proposed lease premises identified and (ii) the preliminary estimated rental for the proposed leases assessed based on the relevant pricing basis under the 2015 Framework Agreement.

Transaction 5 — Informatization and computerization related services

The relevant estimated transaction amounts were assessed based on (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the nature of services, products and facilities to be provided by the Hanjiang Group to the Group based on the Group's plans; (iii) the historical data for the provision of informatization and computerization related services by the Hanjiang's Group to the Group; and (iv) the general proportion of turnover to expenses incurred on information technology in the property development industry in the PRC.

Transaction 6 — Building design

The relevant estimated transaction amounts were assessed based on (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the aggregate sizes and types of the construction and building projects of the Hanjiang Group for which the design work is proposed to be assigned to the Group in the relevant year; and (iii) the historical data relating to the Group carrying out design works for the Hanjiang Group.

Transaction 7 — Management of vacant properties and delivery of sold property units to purchasers

The relevant estimated transaction amounts were assessed based on (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) Hanjiang's estimation of the aggregate gross floor area of the Hanjiang Group's property development projects for which the Hanjiang Group proposes to engage the Group to provide the management service and the number property units available for sale in the relevant year; and (iii) the historical data relating to the Group's provision of management service to the Hanjiang Group for its vacant properties and handling delivery of sold property units of the Hanjiang Group to purchasers.

Transaction 8 — Shop and office lease

The relevant estimated transaction amounts were assessed based on (i) the proposed leased premises identified; and (ii) the preliminary estimated rental for the proposed leases assessed based on the relevant pricing basis under the 2015 Framework Agreement.

G. HISTORICAL TRANSACTION AMOUNTS OF THE TRANSACTIONS

Set out below are the annual caps and the actual transaction amounts of the Transactions which were also carried out in the three financial years ended 31 December 2014:

Transactions	Year ended 31 December 2012		Year ended 31 December 2013		Year ended 31 December 2014	
	Annual caps	Approximate transaction amount	Annual caps	Approximate transaction amount	Annual caps	Approximate transaction amount
Transaction 1 — Construction	RMB1,818,540,000 (equivalent to approximately HK\$2,309,546,000)	RMB174,732,000 (equivalent to approximately HK\$221,910,000)	RMB1,616,480,000 (equivalent to approximately HK\$2,052,930,000)	RMB280,767,000 (equivalent to approximately HK\$356,574,000)	RMB1,414,420,000 (equivalent to approximately HK\$1,796,313,000)	RMB418,472,000 (equivalent to approximately HK\$531,459,000)
Transaction 2 — Construction supervision	RMB16,597,000 (equivalent to approximately HK\$21,078,000)	RMB6,941,000 (equivalent to approximately HK\$8,815,000)	RMB14,635,000 (equivalent to approximately HK\$18,586,000)	RMB9,451,000 (equivalent to approximately HK\$12,003,000)	RMB13,114,000 (equivalent to approximately HK\$16,655,000)	RMB2,322,000 (equivalent to approximately HK\$2,949,000)
Transaction 3 — Electricity installation, low voltage system and intelligent building system installation, consultancy service for budgeting and cost control in for construction work	RMB526,410,000 (equivalent to approximately HK\$668,541,000)	RMB184,470,000 (equivalent to approximately HK\$234,277,000)	RMB467,920,000 (equivalent to approximately HK\$594,258,000)	RMB164,943,000 (equivalent to approximately HK\$209,478,000)	RMB409,430,000 (equivalent to approximately HK\$519,976,000)	RMB115,575,000 (equivalent to approximately HK\$146,780,000)
Transaction 4 — Office lease	RMB6,354,000 (equivalent to approximately HK\$8,070,000)	RMB2,861,000 (equivalent to approximately HK\$3,633,000)	RMB6,989,000 (equivalent to approximately HK\$8,876,000)	RMB2,414,000 (equivalent to approximately HK\$3,066,000)	RMB7,688,000 (equivalent to approximately HK\$9,764,000)	RMB2,861,000 (equivalent to approximately HK\$3,633,000)
Transaction 5 — Informatization and computerization related services	RMB39,952,000 (equivalent to approximately HK\$50,739,000)	RMB10,132,000 (equivalent to approximately HK\$12,868,000)	RMB47,943,000 (equivalent to approximately HK\$60,888,000)	RMB27,263,000 (equivalent to approximately HK\$34,624,000)	RMB57,531,000 (equivalent to approximately HK\$73,064,000)	RMB34,485,000 (equivalent to approximately HK\$43,796,000)
Transaction 6 — Building design	RMB33,340,000 (equivalent to approximately HK\$42,342,000)	RMB6,729,000 (equivalent to approximately HK\$8,546,000)	RMB36,197,000 (equivalent to approximately HK\$45,970,000)	RMB6,022,000 (equivalent to approximately HK\$7,648,000)	RMB36,637,000 (equivalent to approximately HK\$46,529,000)	RMB6,667,000 (equivalent to approximately HK\$8,467,000)
Transaction 7 — Management of vacant properties and delivery of sold property units to purchasers	RMB15,910,000 (equivalent to approximately HK\$20,206,000)	RMB7,400,000 (equivalent to approximately HK\$9,398,000)	RMB14,330,000 (equivalent to approximately HK\$18,199,000)	RMB7,098,000 (equivalent to approximately HK\$9,014,000)	RMB13,910,000 (equivalent to approximately HK\$17,666,000)	RMB2,811,000 (equivalent to approximately HK\$3,570,000)
Transaction 8 — Shop and office lease ^{Note}	RMB3,298,000 (equivalent to approximately HK\$4,188,000)	RMB1,425,000 (equivalent to approximately HK\$1,810,000)	RMB3,444,000 (equivalent to approximately HK\$4,374,000)	RMB872,000 (equivalent to approximately HK\$1,107,000)	RMB3,616,000 (equivalent to approximately HK\$4,592,000)	RMB1,949,000 (equivalent to approximately HK\$2,475,000)

Note: There was no office lease but only shop lease for the three financial years ended 31 December 2014.

H. INFORMATION OF THE GROUP AND THE HANJIANG GROUP

The Group is principally engaged in the development of residential properties in the mainland China. The Group is also involved in property investment, hotel operations and property management. The Transactions will be carried out in the Group's ordinary and usual course of business.

Hanjiang is engaged in the construction of properties, public utilities and power transmission and transformation in the PRC. It invests in various projects including infrastructure, land, energy and resources, electronics and telecommunications. It is also engaged in the sale and purchase of equipment for metallurgy, forging, mining and hydropower and the sale and purchase of other minerals, metals and construction materials.

Hanjiang is classified as 房屋建築工程總承包壹級 (Property Construction First Class Main Contractor) by the relevant government authority in the PRC. First class main contractors is qualified to undertake larger scale projects than non-first class contractors. Hanjiang offers a comprehensive range of services, employing over 350 industry experts, of which 100 are mid to senior level. Hanjiang has also obtained the ISO 9000 certification for its quality management systems, achieving high quality standard in construction safety and cost management and control. Hanjiang is a reputable contractor in the industry, has a proven track record and possesses the relevant technical capabilities and expertise in handling large scale construction projects including numerous highly rated commercial buildings in the PRC. The Group considers that the pricing offered by Hanjiang Group is highly competitive.

I. REASONS FOR, AND BENEFITS OF, ENTERING INTO THE 2015 FRAMEWORK AGREEMENT

The purpose of entering into the 2015 Framework Agreement is to regulate the Transactions which are recurrent, regular and continuing in nature between the Group and the Hanjiang Group. The Group has been transacting with the Hanjiang Group since 2003. Over the years, the Group and the Hanjiang Group have built up a close and good working relationship. Given Hanjiang Group's proven track record, qualification, expertise, reputation, experience and highly competitive pricing, the Group is of the view that the continued appointment of the Hanjiang Group for the provision of services under Transaction 1 to Transaction 3 and Transaction 5 and the continued leasing of office premises from the Hanjiang Group under Transaction 4 are in the interests of the Company and its shareholders as a whole. In view of the long-term and good working relationship between the Group and the Hanjiang Group and the good payment records of Hanjiang Group, the Group considers that the provision of services under Transaction 6 and Transaction 7 and the leasing of shop and office premises under

Transaction 8 to the Hangjiang Group on normal commercial terms or better so far as the Group is concerned would generate a steady income source to the Group and are in the interests of the Company and its shareholders as a whole. The entering into of the 2015 Framework Agreement will provide a single basis on which the Company will comply with the reporting, announcement, circular and independent shareholders' approval requirements under the Listing Rules, thereby reducing the Company's administrative burden and costs for complying with such requirements in relation to the execution of separate sales contract or agreement for each of the engagements/orders/leases under each of the Transactions.

The Directors (other than the independent non-executive Directors who will form their views after having received the advice of Beijing Securities) consider that the Transactions will be carried out in the ordinary and usual course of business of the Group and on normal commercial terms or better so far as the Group is concerned. The Directors (other than the independent non-executive Directors who will form their views after having received the advice of Beijing Securities), having considered the bases and principles for determining the pricing and other terms of the individual contracts or agreements for the Transactions and the bases for determining the proposed Annual Caps, consider the terms of the 2015 Framework Agreement, the Transactions and the Annual Caps to be fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

J. LISTING RULES IMPLICATIONS

As at the date of this announcement, Hanjiang is directly held as to 99% by Mr. Chu Yat Hong who is a son of Mr. Chu and a brother of Ms. Chu. Mr. Chu Yat Hong also indirectly owns approximately 17.61% of the shares of the Company. Accordingly, Hanjiang is a connected person of the Company under the Listing Rules and the 2015 Framework Agreement and the Transactions constitute continuing connected transactions of the Company under the Listing Rules.

As certain applicable percentage ratios (other than the profits ratio) of the 2015 Annual Cap exceed 5%, the 2015 Framework Agreement and the Transactions constitute non-exempt continuing connected transactions of the Company and the 2015 Framework Agreement, the Transactions and the Annual Caps are subject to reporting, announcement, circular, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The Company proposes to seek the Independent Shareholders' approval of the 2015 Framework Agreement, the Transactions and the Annual Caps for the three financial years ending 31 December 2017 at the SGM. Each of Sounda, Hopson Education Funds and Farrich will abstain from voting at the SGM.

Since the 2015 Framework Agreement and the Transactions constitute connected transactions for the Company due to the connection between Hanjiang and each of Mr. Chu and Ms. Chu, each of Mr. Chu and Ms. Chu abstained from voting on the resolutions of the Board approving the 2015 Framework Agreement, the Transactions and the Annual Caps.

K. GENERAL

The Independent Board Committee has been formed to advise the Independent Shareholders and Beijing Securities has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2015 Framework Agreement, the Transactions and the Annual Caps.

A circular containing, *inter alia*, details of the 2015 Framework Agreement, the Transactions and the Annual Caps, the letter from Beijing Securities, the recommendation of the Independent Board Committee and a notice convening the SGM is expected to be despatched to the Shareholders on or before 14 May 2015.

L. TERMS USED IN THIS ANNOUNCEMENT

“Annual Caps”	the maximum aggregate annual transaction amount for the Transactions collectively under the 2015 Framework Agreement for each of the three financial years ending 31 December 2017
“Beijing Securities”	Beijing Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, being the independent financial adviser appointed by the Board to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the 2015 Framework Agreement, the Transactions and the Annual Caps
“Board”	board of Directors
“close associate(s)”	the meaning given to that term in the Listing Rules
“Company”	Hopson Development Holdings Limited
“connected person”	the meaning given to that term in the Listing Rules

“Directors”	directors of the Company
“Farrich”	Farrich Investments Limited, a company incorporated in the British Virgin Islands and whose entire issued share capital is owned by Mr. Chu Yat Hong, a son of Mr. Chu and a brother of Ms. Chu. It is a holder of 395,246,625 Shares, representing approximately 17.61% of the issued share capital of the Company, as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hanjiang”	廣東韓江建築安裝工程有限公司 (Guangdong Hanjiang Construction Installation Project Limited), a company established in the PRC and is directly held as to 99% by Mr. Chu Yat Hong, a son of Mr. Chu and a brother of Ms. Chu
“Hanjiang Group”	Hanjiang, its subsidiaries, associated companies and close associates
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hopson Education Funds”	Hopson Education Charitable Funds Limited, an exempt charitable institution and a company limited by guarantee, of which Mr. Chu is the sole member. It is a holder of 68,640,000 Shares, representing approximately 3.06% of the issued share capital of the Company, as at the date of this announcement
“Independent Board Committee”	an independent committee of the Board comprising Messrs. Lee Tsung Hei, David, Wong Shing Kay, Oliver and Mr. Tan Leng Cheng, Aaron, all independent non-executive Directors, established to advise the Independent Shareholders in respect of the 2015 Framework Agreement, the Transactions and the Annual Caps
“Independent Third Parties”	persons who are not connected persons of the Company

“Independent Shareholders”	Shareholders who are independent of Hanjiang, Mr. Chu Yat Hong and their respective close associates, Sounda, Hopson Education Funds and Farrich
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Chu”	Ms. Chu Kut Yung, an executive Director and the daughter of Mr. Chu
“Mr. Chu”	Mr. Chu Mang Yee, the chairman of the Board and an executive Director
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of Shares
“Shares”	the ordinary shares of HK\$0.10 each in the share capital of the Company
“SGM”	a special general meeting of the Company to be convened to approve, among other things, the 2015 Framework Agreement, the Transactions and the Annual Caps
“Sounda”	Sounda Properties Limited, a company incorporated in the British Virgin Islands and whose entire issued share capital is owned by Mr. Chu. It is a holder of 1,160,363,809 Shares, representing approximately 51.71% of the issued share capital of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the Transaction 1 to the Transaction 8 as described in the section headed “B. The Transactions” of this announcement proposed to be entered into between the Group and the Hanjiang Group pursuant to the 2015 Framework Agreement

“2012 Framework Agreement”	the conditional framework agreement dated 11 May 2012 entered into between the Company and Hanjiang in relation to certain recurrent continuing connected transactions which expired on 31 December 2014
“2015 Annual Cap”	the maximum aggregate annual transaction amount for the Transactions collectively under the 2015 Framework Agreement for the financial year ending 31 December 2015
“2015 Framework Agreement”	the conditional framework agreement dated 22 April 2015 entered into between the Company and Hanjiang in relation to the Transactions

In this announcement, the conversion of RMB into HK\$ has been made at the rate of RMB1.00: HK\$1.27. Such conversion rate is included in this announcement for indicative purpose only and 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, 22 April 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 Shing Kay, Oliver, and Mr. Tan Leng Cheng, Aaron.

** For identification purposes only*