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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
LEASE AGREEMENTS**

The Board announces that on 18 January 2016, Hopson Beifang, an indirect wholly-owned subsidiary of the Company, entered into (i) the Lease Agreement One with Zhujiang Life for the lease of Premises One; and (ii) the Lease Agreement Two with Zhujiang Real Estate for the lease of Premises Two, by Hopson Beifang to Zhujiang Life and Zhujiang Real Estate, respectively, for a period of three years from 18 January 2016 to 17 January 2019.

As at the date of this announcement, Zhujiang Life is majority-controlled company, held indirectly, by the family members and relative of Mr. Chu and Ms. Chu together, namely Mr. Chu Yat Hong and Mr. Chu Wai Hong (the sons of Mr. Chu and the brothers of Ms. Chu), Mr. Zhu La Yi (a brother of Mr. Chu and an uncle of Ms. Chu) and Mr. Xie Bing Zhao (the brother-in-law of Mr. Chu and an uncle of Ms. Chu). Mr. Chu Yat Hong, being a substantial shareholder of the Company who indirectly owns approximately 17.69% of the Shares, is a connected person of the Company. Zhujiang Life is also a 30%-controlled company held indirectly by Mr. Chu Yat Hong. Zhujiang Real Estate is majority-controlled company, held indirectly by Mr. Chu Wai Hong (a son of Mr. Chu and a brother of Ms. Chu). Accordingly, each of Zhujiang Life and Zhujiang Real Estate is a connected person of the Company under the Listing Rules and the Lease Agreements and the Leases constitute continuing connected transactions of the Company under the Listing Rules.

As certain applicable percentage ratios of each of the Annual Caps exceed 0.1% but is less than 5%, the Lease Agreements and the Leases are subject to reporting and announcement requirements but are exempt from circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

LEASE AGREEMENTS

On 18 January 2016, Hopson Beifang, an indirect wholly-owned subsidiary of the Company, entered into (i) the Lease Agreement One with Zhujiang Life for the lease of Premises One; and (ii) the Lease Agreement Two with Zhujiang Real Estate for the lease of Premises Two, by Hopson Beifang to Zhujiang Life and Zhujiang Real Estate, respectively, for a period of three years from 18 January 2016 to 17 January 2019.

The principal terms of the Lease Agreements are set out below:

	Lease Agreement One	Lease Agreement Two
Date:	18 January 2016	18 January 2016
Lessor:	Hopson Beifang	Hopson Beifang
Lessee:	Zhujiang Life	Zhujiang Real Estate
Term:	18 January 2016 to 17 January 2019	18 January 2016 to 17 January 2019
Leased Property:	Premises One	Premises Two
Gross Floor Area of the Premises:	Approximately 1,720 square metres	Approximately 5,240.30 square metres
Monthly Rental (exclusive of property management and utility fees) for the Premises:	<i>For year 2016:</i>	<i>For year 2016:</i>
	RMB215 (equivalent to approximately HK\$255.85) per square metre	RMB230.91 (equivalent to approximately HK\$274.78) per square metre
	<i>For year 2017:</i>	<i>For year 2017:</i>
	RMB215 (equivalent to approximately HK\$255.85) per square metre	RMB230.91 (equivalent to approximately HK\$274.78) per square metre
	<i>For year 2018:</i>	<i>For year 2018:</i>
RMB225.75 (equivalent to approximately HK\$268.64) per square metre	RMB242.46 (equivalent to approximately HK\$288.53) per square metre	

	Lease Agreement One	Lease Agreement Two
Rent Free Period:	(i) The renovation period which is the first 30 days in the first year of the lease; and (ii) The last 30 days in the first year of the lease	(i) The renovation period which is the first 30 days in the first year of the lease; and (ii) The last 30 days in the first year of the lease
Management fees:	RMB32 (equivalent to approximately HK\$38.08) per square metre per month, with additional fees to be charged for air conditioning services provided outside normal office hours	RMB32 (equivalent to approximately HK\$38.08) per square metre per month, with additional fees to be charged for air conditioning services provided outside normal office hours
Use of the Premises:	Office	Office

The rental and the other terms of the Lease Agreements are determined with reference to the prevailing market rents of premises of similar type and size and similar grading in the proximity and the terms of leases of other premises in the same building leased by the Group to other tenants who are Independent Third Parties.

ANNUAL CAPS

The Annual Cap for the Leases for each of the three financial years ending 31 December 2018 under the Lease Agreements shall be RMB18,471,132 (equivalent to approximately HK\$21,980,647), RMB21,630,807 (equivalent to approximately HK\$25,741,660) and RMB22,578,993 (equivalent to approximately HK\$26,869,000), respectively. The Annual Caps are determined based on the aggregate annual amount receivable by Hopson Beifang from both Zhujiang Life and Zhujiang Real Estate under the Lease Agreements which includes annual rental and annual property management fees.

INFORMATION ABOUT THE GROUP AND THE PARTIES TO THE LEASE AGREEMENTS

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. Hopson Beifang is principally engaged in property development in the PRC.

Zhujiang Life is principally engaged in the business of insurance provider.

Zhujiang Real Estate is principally engaged in property development and sale.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE LEASE AGREEMENTS

The Group had been using Hopson Fortune Plaza for its hotel operations. Due to the change in operation strategy, the Group decided to gradually cease its hotel operations in Hopson Fortune Plaza in mid 2015 and to lease the entire building of Hopson Fortune Plaza out for use as office. The Directors believe that the Leases will bring forth additional stable income to the Group after the cessation of hotel operations in such building.

The Directors (including the independent non-executive Directors) consider that the Lease Agreements and the Leases are entered into in the ordinary and usual course of business of the Group and on normal commercial terms so far as the Group is concerned. The Directors (including the independent non-executive Directors), having considered the bases for determining the rental and other terms of the Lease Agreements, consider the terms of the Lease Agreements, the Leases and the Annual Caps to be fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhujiang Life is majority-controlled company, held indirectly, by the family members and relative of Mr. Chu and Ms. Chu together, namely Mr. Chu Yat Hong and Mr. Chu Wai Hong (the sons of Mr. Chu and the brothers of Ms. Chu), Mr. Zhu La Yi (a brother of Mr. Chu and an uncle of Ms. Chu) and Mr. Xie Bing Zhao (the brother-in-law of Mr. Chu and an uncle of Ms. Chu). Mr. Chu Yat Hong, being a substantial shareholder of the Company who indirectly owns approximately 17.69% of the Shares, is a connected person of the Company. Zhujiang Life is also a 30%-controlled company held indirectly by Mr. Chu Yat Hong. Zhujiang Real Estate is majority-controlled company, held indirectly by Mr. Chu Wai Hong (a son of Mr. Chu and a brother of Ms. Chu). Accordingly, each of Zhujiang Life and Zhujiang Real Estate is a connected person of the Company under the Listing Rules and the Lease Agreements and the Leases constitute continuing connected transactions of the Company under the Listing Rules.

As certain applicable percentage ratios of each of the Annual Caps exceed 0.1% but is less than 5%, the Lease Agreements and the Leases are subject to reporting and announcement requirements but are exempt from circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the Lease Agreements and the Leases constitute continuing connected transactions for the Company due to the connection between each of Zhujiang Life and Zhujiang Real Estate and each of Mr. Chu and Ms. Chu, each of Ms. Chu and Ms. Chu has abstained from voting on the resolutions of the Board approving the Lease Agreements, the Leases and the Annual Caps.

DEFINITIONS

“Annual Cap(s)”	the maximum aggregate amount receivable by Hopson Beifang for each year under the Lease Agreements
“Board”	board of Directors
“Company”	Hopson Development Holdings Limited
“connected person”	has the meaning given to that term in the Listing Rules
“Directors”	directors of the Company
“family members”	has the meaning given to that term in Chapter 14A of the Listing Rules
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hopson Beifang”	Beijing Hopson Beifang Real Estate Development Limited* (北京合生北方房地產開發有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Hopson Fortune Plaza”	Hopson Fortune Plaza* (合生財富廣場) which is situated at Building 223, No. 28 Guangqu Road, Chaoyang District, Beijing City, PRC (中國北京市朝陽區廣渠路28號223號樓)
“Independent Third Parties”	persons who are not connected persons of the Group and its connected persons
“Lease Agreement One”	the lease agreement dated 18 January 2016 entered into between Hopson Beifang and Zhujiang Life for the lease of Premises One

“Lease Agreement Two”	the lease agreement dated 18 January 2016 entered into between Hopson Beifang and Zhujiang Real Estate for the lease of Premises Two
“Lease Agreements”	the Lease Agreement One and the Lease Agreement Two
“Leases”	the lease of Premises One and Premises Two as contemplated under the Lease Agreements
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“majority-controlled company”	has the meaning given to that term in Chapter 14A of the Listing Rules
“Mr. Chu”	Mr. Chu Mang Yee, the chairman of the Board and an executive Director
“Ms. Chu”	Ms. Chu Kut Yung, an executive Director and daughter of Mr. Chu
“PRC”	the People’s Republic of China
“Premises”	Premises One and Premises Two
“Premises One”	the premises situated at 7th floor of Hopson Fortune Plaza
“Premises Two”	the premises situated at 9th, 10th and 11th floors of Hopson Fortune Plaza
“relative(s)”	has the meaning given to that term in Chapter 14A of the Listing Rules
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Zhujiang Life”	Zhujiang Life Insurance Company Limited* (珠江人壽保險股份有限公司), a company established in the PRC
“Zhujiang Real Estate”	Beijing Zhujiang Real Estate Development Company Limited* (北京珠江房地產有限公司), a company established in the PRC
“30%-controlled company”	has the meaning given to that term in Chapter 14A of the Listing Rules

In this announcement, the conversion of RMB into HK\$ has been made at the rate of RMB1.00:HK\$1.19. 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, 18 January 2016

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. Tan Leng Cheng, Aaron and Mr. Ching Yu Lung.

* *For identification purposes only*