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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>

MAJOR TRANSACTION: ACQUISITION OF LAND LOCATED IN BEIJING, PRC

Acquisition of lands in Beijing, PRC

On 9 May 2020, the Purchaser, a subsidiary of the Company, became the successful bidder for the land use rights in respect of the Land at the total consideration of RMB7.22 billion through the Bidding. The Group intends to develop the Land into residential buildings.

Implications under the HKLR

The Acquisition constitutes a major transaction of the Company under Chapter 14 of the HKLR. Since the Acquisition also constitutes a Qualified Property Acquisition, it is subject to reporting and announcement requirements but is exempt from shareholders' approval requirements pursuant to Rule 14.33A(1) of the HKLR.

As at the Announcement Date, it is expected that a circular containing, among other things, further details of the Acquisition will be despatched to the Shareholders on or before 12 June 2020 as additional time is required for the preparation of certain information to be included in the circular.

1. INTRODUCTION

The Board hereby announces that on 9 May 2020, BMCPNR informed the Purchaser that it had succeeded in bidding for the land use rights in respect of the Land. Set out below are the principal terms of the Acquisition and other relevant information.

2. THE ACQUISITION

Parties	: (i) BMCPNR, as transferor (ii) the Purchaser, as successful bidder
Location of the Land	: Fenzhongsi Village, Nanyuanxiang, Fengtai District, Beijing (北京市豐台區南苑鄉分鐘寺村)
Area	: A site area (建設用地面積) of 35,782.376 sq.m. and a gross floor area (建築控制規模面積) of 107,437 sq.m.
Term of land use rights	: 70 years commences from the date on which the relevant land use rights transfer agreement has been signed
Use of the Land	: Residential
Purchase Price	: RMB7.22 billion
Deposit paid	: RMB1.144 billion

3. FURTHER INFORMATION ON THE PURCHASE PRICE

The purchase price for the Acquisition is RMB7.22 billion payable in cash, which represents the bid price submitted by the Purchaser through the Bidding. The Purchaser has already paid a deposit of RMB1.144 billion. The balance of the Purchase Price (RMB6.076 billion) shall be paid within 15 working days after the relevant land use rights transfer agreement has been signed. As at the Announcement Date, it is expected that the relevant land use rights transfer agreement will be signed on or about 5 June 2020. The Group intends to finance the Purchase Price by internal resources.

The Purchase Price was arrived at as a result of successful biddings of the Land by the Purchaser at the Bidding which was conducted in accordance with the relevant PRC laws and regulations. The Purchaser determined the bid price for the Land after taking into account, among other things, (i) the base price of the Bidding set by BMCPNR (RMB5.719 billion); (ii) current property market conditions adjacent to Fenzhongsi Village, Nanyuanxiang, Fengtai District, Beijing; and (iii) the location and development potential of the Land. No independent valuation has been taken as reference for setting the bid price.

4. INFORMATION ON THE LAND AND THE DEVELOPMENT PROJECT

The Land comprises two parcels of lands located at Fenzhongsi Village, Nanyuanxiang, Fengtai District, Beijing for residential use. The Group plans to develop the Land into eight blocks of residential buildings with an aggregate gross floor area of approximately 107,437 sq.m.. As at the Announcement Date, it is expected that the construction work will commence in or about October 2020 and the pre-sale will commence in or about December 2020.

5. INFORMATION ON THE PARTIES

The Company is an investment holding company. The Company's subsidiaries, associates and joint ventures principally engage in residential property development, commercial property investment, property management and infrastructure business.

The Purchaser, a company which the Company indirectly owns 100% of its interests, was established in the PRC whose principal business is property development.

BMCPNR is a PRC governmental authority in its capacity as the owner of all the lands, mineral resources, forest and water of Beijing. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, BMCPNR and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the HKLR).

6. REASONS FOR ENTERING INTO, AND BENEFITS OF, THE ACQUISITION

The Land is located between the Third Ring (三環) and the Fourth Ring (四環), the heart of a tier one city, namely Beijing, the capital of the PRC and are scarce in supply. The Acquisition is in line with the Group's long term strategy in land bank by replenishing the Group's land bank located in tier one cities. The Acquisition represents a good investment opportunity and, as disclosed above, allows the Group to expand its land bank and in turn enhance the Group's potential to bring income to the Group.

Having taken into account the above reasons and benefits, the Directors (including all the independent non-executive Directors) consider that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

7. IMPLICATIONS UNDER HKLR

As the highest applicable percentage ratio as defined under Rule 14.07 of the HKLR for the Company in respect of the Acquisition is 25% or more but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the HKLR.

The Acquisition constitutes a Qualified Property Acquisition under Rule 14.04(10C) of the HKLR as it involves an acquisition of governmental land in the PRC from a PRC Governmental Body (as defined under Rule 19A.04 of the HKLR) through a tender, auction or listing-for-sale governed by PRC law (as defined under Rule 19A.04 of the HKLR). The Board confirms that the Acquisition is

undertaken by the Group on a sole basis and in the Group's ordinary and usual course of business. The Acquisition is therefore subject to reporting and announcement requirements but is exempt from shareholders' approval requirements pursuant to Rule 14.33A(1) of the HKLR.

As at the Announcement Date, it is expected that a circular containing, among other things, further details of the Acquisition will be despatched to the Shareholders on or before 12 June 2020 as additional time is required for the preparation of certain information to be included in the circular.

DEFINITIONS

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

“Acquisition”	acquisition of the Land by the Group as disclosed in this announcement
“Announcement Date”	the date of this announcement, being 11 May 2020
“Bidding”	the public bidding process in relation to the Land held by Beijing Municipal Land Management and Reserve Centre (北京市土地整理儲備中心), a unit under the Beijing Land Resources Bureau (北京市國土資源局)
“BMCPNR”	Beijing Municipal Commission of Planning and Natural Resources (北京市規劃和自然資源委員會)
“Board”	the board of Directors
“Company”	Hopson Development Holdings Limited, a company incorporated in Bermuda and whose shares are listed on the HKSX
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HKLR”	the Rules Governing the Listing of Securities on the HKSX
“HKSX”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	Hong Kong Special Administrative Region
“Land”	collectively, plots L-24 and L-26, Fenzhongsi Village, Nanyuanxiang, Fengtai District, Beijing (北京市豐台區南苑鄉分鐘寺村)
“PRC”	the People's Republic of China which, for the purpose of this announcement only, excludes Taiwan, Hong Kong and the Macao Special Administrative Region
“Purchase Price”	the purchase price payable for the Acquisition, being RMB7.22 billion

“Purchaser”	Beijing Hehong Dasheng Enterprise Management Limited* (北京合宏達盛企業管理有限公司)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the shares of the Company
“sq.m.”	square metres

By order of the Board
Hopson Development Holdings Limited
Chu Kut Yung
Chairman

Hong Kong, 11 May 2020

As at the Announcement Date, the Board comprises eight Directors. The executive Directors are Ms. Chu Kut Yung (Chairman), Mr. Xi Ronggui (Chief Executive Officer), Mr. Au Wai Kin, 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 purpose only.*

For ease of reference, the names of the PRC established companies or entities (if any) and the PRC laws and regulations (if any) have generally been included in this announcement in both Chinese and English languages and in the event of inconsistency, the Chinese language shall prevail.

^ *Where the context so permits or requires, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa.*