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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)

**ANNOUNCEMENT
CONNECTED TRANSACTION**

The Directors are pleased to announce that on 29 January 2008, the Group entered into the Agreement with Beijing Zhujiang pursuant to which the Group agreed to reimburse Beijing Zhujiang for the Development of the Land.

Beijing Zhujiang is an associate of GD Zhujiang. GD Zhujiang being a substantial shareholder of certain subsidiaries of the Company and the associate of the brother of Mr. Chu, is a connected person of the Company under the Listing Rules. Accordingly, Beijing Zhujiang being an associate of GD Zhujiang, is regarded as a connected person of the Company under the Listing Rules. The Transaction constitutes a connected transaction of the Company under Rule 14A.32 of the Listing Rules and is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but exempt from the independent shareholders' approval requirement.

Based on the relevant percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules, the Acquisition does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the Transaction is in the ordinary and usual course of business of the Group and the terms of the Agreement have been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable and the Transaction is in the interests of the Company and the Shareholders as a whole are concerned.

A. THE TRANSACTION

1. Background

On 27 December 2007, the Group tendered a bid of RMB698,020,000 (equivalent to approximately HK\$750,559,000) for the land use right in respect of the Land through a public bidding process organized and held by Beijing Land Bureau.

On 2 January 2008, the Group was notified by Beijing Land Bureau that the Group won the bid and would be granted the land use right in respect of the Land. The Land is situated in Ma Ju Qiao, Tong Zhou District, Beijing with a site area of approximately 129,069.548 sq.m. and is permitted for commercial, office and residential purposes.

On 29 January 2008, the Group entered into the Land Transfer Contract with the Beijing Land Bureau for the transfer of the land use right in respect of the Land at the Land Transfer Price, among which RMB324,721,500 (equivalent to approximately HK\$349,163,000), being the Reimbursement, shall be payable to Beijing Zhujiang, the contractor which carried out the Development, as reimbursement for the costs incurred by Beijing Zhujiang in carrying out the Development prior to the sale of the land use right in respect of the Land.

On 29 January 2008, as required under the Land Transfer Contract, the Group entered into the Agreement with Beijing Zhujiang for the reimbursement of the costs incurred by Beijing Zhujiang in carrying out the Development. Neither the Group nor Beijing Zhujiang took part in the negotiation of the terms and conditions of the Agreement.

The Group intends to develop a commercial complex on the Land containing office and residential buildings, hotel, entertainment and sports facilities.

2. Principal terms of the Agreement

Date: 29 January 2008

Parties: (i) Beijing Hopson; and
(ii) Beijing Zhujiang.

Reimbursement: Upon signing of the Agreement, Beijing Hopson shall pay Beijing Zhujiang the sum of RMB324,721,500 for the reimbursement of the costs incurred by Beijing Zhujiang in carry out the Development.

Responsibility of Beijing Zhujiang: Beijing Zhujiang shall deliver the Land to the Group within 7 days after the date of payment of Reimbursement by Beijing Hopson.

Beijing Zhujiang shall, among other things, carry out certain infrastructure works such as the provision of road, drainage system, water pipes, gas and electricity supply (collectively “Infrastructure Works”) in relation to the Land in accordance with the timetable as required by Beijing Hopson.

3. Reimbursement

The Reimbursement will be funded by the Group’s internal resources.

The Reimbursement which represents the amount of reimbursement payable to Beijing Zhujiang for carrying out the Development was stipulated under the Land Transfer Contract. The Development will be completed upon completion of the Infrastructure Works.

4. Reasons for Transaction

As the Group is principally engaged in property development and property investment in various cities in the PRC including Guangzhou, Beijing, Shanghai and Tianjin, the Acquisition and the Transaction are in the ordinary and usual course of business of the Group. The Group entered into the Transaction as it is part and parcel of the Acquisition.

Beijing Hopson is principally engaged in property development in Beijing.

Beijing Zhujiang is principally engaged in property development and first class land development in Beijing.

5. Connected Transaction

GD Zhujiang, being a substantial shareholder of certain subsidiaries of the Company and the associate of the brother of Mr. Chu, is a connected person of the Company under the Listing Rules. Accordingly, Beijing Zhujiang being an associate of GD Zhujiang, is regarded as a connected person of the Company under the Listing Rules. The Transaction therefore constitutes a connected transaction of the Company under the Listing Rules.

Based on the relevant percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules, the Transaction constitutes a connected transaction of the Company under Rule 14A.32 of the Listing Rules and is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but exempt from the independent shareholders' approval requirement.

Based on the relevant percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules, the Acquisition does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the Transaction is in the ordinary and usual course of business of the Group and the terms of the Agreement have been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable and the Transaction is in the interests of the Company and the Shareholders as a whole are concerned.

B. DIRECTORS

As at the date hereof, the executive Directors comprise CHU Mang Yee (Chairman), XIANG Bin, AU Wai Kin, CHEN Chang Ying, XIAO Yan Xia, ZHAO Hai, XUE Hu, the non-executive Director comprises Steven SHAFRAN and the independent non-executive Directors comprise YUEN Pak Yiu, Philip, LEE Tsung Hei, David and WONG Shing Kay, Oliver.

C. TERMS USED IN THIS ANNOUNCEMENT

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| “Acquisition” | the acquisition of the land use right in respect of the Land under the Land Transfer Contract |
| “Agreement” | 土地開發建設補償協議 (Agreement for Reimbursement of Land Development) dated 29 January 2008 and entered into between Beijing Hopson and Beijing Zhujiang |
| “associate” | the meaning given to that term in the Listing Rules |
| “Beijing Hopson” | 北京合生北方房地產開發有限公司 (Beijing Hopson Beifang Real Estate Development Limited), a company established in the PRC and a indirectly wholly-owned subsidiary of the Company |
| “Beijing Land Bureau” | 北京市國土資源局 (Beijing State Land Resources Bureau) |
| “Beijing Zhujiang” | 北京珠江房地產開發有限公司 (Beijing Zhujiang Real Estate Development Company Limited), a company established in the PRC and an associate of GD Zhujiang |
| “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 |
| “Development” | the first class land development (土地一級開發) of the Land |
| “Directors” | the directors of the Company |
| “GD Zhujiang” | 廣東珠江投資有限公司 (Guangdong Zhujiang Investment Company Limited), a company established in the PRC |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Land” | a piece of land situated at Ma Ju Qiao, Tong Zhou District, Beijing, PRC |

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| “Land Transfer Contract” | 北京市國有土地使用權出讓合同 (Contract for the transfer of the land use right of State-owned land of the Beijing Municipal) in respect of the Land dated 29 January 2008 and entered into between Beijing Hopson and Beijing Land Bureau |
| “Land Transfer Price” | RMB698,020,000 (equivalent to approximately HK\$750,559,000), being the price for the transfer of land use right in respect of Land under the Land Transfer Contract |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Mr. Chu” | Mr. Chu Mang Yee, an executive Director and the chairman of the Company |
| “PRC” | the People’s Republic of China |
| “Shareholders” | shareholders of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transaction” | the transactions contemplated under the Agreement |
| “HK\$” | Hong Kong dollars |
| “Reimbursement” | the sum of RMB324,721,500 (equivalent to approximately HK\$349,163,000) payable by Beijing Hopson to Beijing Zhujiang under the Agreement |
| “RMB” | Renminbi |

For illustrative purpose of this announcement, RMB0.93 = HK\$1.

By Order of the Board
Chu Mang Yee
Chairman

Hong Kong, 31 January 2008

* *For identification purposes only*