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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
DISCLOSEABLE TRANSACTION**

The Directors are pleased to announce that on 19 February 2008, the Group made a successful bid for the land use right of the Land.

On 2 April 2008, the Group entered into the Reimbursement Agreement with Beijing Land Centre, pursuant to which the Group agreed to reimburse Beijing Land Centre for the Development of the Land. The Group will enter into the Land Transfer Contract with Beijing Land Bureau on or around 25 April 2008 for the transfer of the land use right in respect of the Land.

Based on the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the Transaction constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules.

A circular containing, *inter alia*, details of the Transaction, will be dispatched to the Shareholders as soon as practicable in accordance with 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 Land Transfer Contract and the Reimbursement Agreement have been agreed 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 19 February 2008, the Group tendered a bid of RMB1,740,000,000 (equivalent to approximately HK\$1,870,967,742) for the land use right in respect of the Land through a public bidding process organized and held by Beijing Land Bureau.

On 19 February 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 in respect of which the land use right is to be granted, is situated in Qiao Zhuang Village, Yong Shun Town, Tong Zhou District, Beijing with a site area of approximately 114,967.25 square metres and is permitted for commercial, office and residential purposes.

On 2 April 2008, the Group entered into the Reimbursement Agreement with Beijing Land Centre for the reimbursement of the costs incurred by Beijing Land Centre in carrying out the Development.

The Group will enter into the Land Transfer Contract with Beijing Land Bureau on or around 25 April 2008 for the transfer of the land use right in respect of the Land at the Land Transfer Price, among which RMB493,178,100 (equivalent to approximately HK\$530,299,032), being the Reimbursement, shall be payable to Beijing Land Centre, the contractor which carried out the Development, as reimbursement for the costs incurred by Beijing Land Centre in carrying out the Development prior to the sale of the land use right in respect of the Land.

Both Beijing Land Bureau and Beijing Land Centre are government entities which are third parties independent of the Company and its connected persons.

The Group intends to develop a commercial complex on the Land containing office and residential buildings.

2. Principal terms of the Land Transfer Contract

Parties: (i) Beijing Hopson Beifang and Beijing Hopson Lu Zhou as transferee; and
(ii) Beijing Land Bureau as transferor.

Rights to be Acquired: Beijing Land Bureau agrees to transfer to Beijing Hopson Beifang and Beijing Hopson Lu Zhou the land use right of the Land.

Term: The transfer of land use right of the Land is for a term of 70 years for residential purposes, 50 years for residential and commercial purposes, 40 years for commercial purposes, commencing from the date of execution of the Land Transfer Contract. Beijing Hopson Beifang and Beijing Hopson Lu Zhou may apply to the Beijing Land Bureau for the renewal of the Land Transfer Contract at least 1 year prior to the expiry of the terms of the land use right of the Land.

Land Transfer Price: The Land Transfer Price comprises the following:

- (a) Government land premium, being RMB1,246,821,900 (equivalent to approximately HK\$1,340,668,710); and
- (b) Reimbursement, being RMB493,178,100 (equivalent to approximately HK\$530,299,032).

Upon signing of the Land Transfer Contract, Beijing Hopson Beifang and Beijing Hopson Lu Zhou shall pay Beijing Land Bureau 20% of the Government land premium (“First Payment”), being RMB249,364,380 (equivalent to approximately HK\$268,133,742). The sum of RMB65,000,000 being the earnest money deposited on 19 February 2008 by Beijing Hopson Beifang and Beijing Hopson Lu Zhou with Beijing Land Centre for the bidding of the land use right in respect of the Land shall be applied towards payment of the First Payment.

Beijing Hopson Beifang and Beijing Hopson Lu Zhou shall pay Beijing Land Bureau the remaining balance of the Government land premium, being RMB997,457,520 (equivalent to approximately HK\$1,072,534,968) within 60 days from the date of execution of the Land Transfer Contract.

Beijing Hopson Beifang and Beijing Hopson Lu Zhou shall pay Beijing Land Centre the Reimbursement in accordance with the terms of the Reimbursement Agreement.

Responsibilities of Beijing Hopson Beifang and Beijing Hopson Lu Zhou: Beijing Hopson Beifang and Beijing Hopson Lu Zhou shall, among other things, enter into the Reimbursement Agreement with Beijing Land Centre, apply to the relevant authority for the registration of the land use right to obtain the State-owned land use right certificate.

3. Principal terms of the Reimbursement Agreement

Date: 2 April 2008

Parties: (i) Beijing Hopson Beifang and Beijing Hopson Lu Zhou;
and

(ii) Beijing Land Centre.

Reimbursement: The total sum of RMB493,178,100 (equivalent to approximately HK\$530,299,032) is payable by Beijing Hopson Beifang and Beijing Hopson Lu Zhou to Beijing Land Centre as reimbursement for the costs incurred by Beijing Land Centre in carrying out the Development.

Upon signing of the Reimbursement Agreement, Beijing Hopson Beifang and Beijing Hopson Lu Zhou shall pay Beijing Land Centre the sum of RMB468,519,195 (equivalent to approximately HK\$503,784,081), representing 95% of the Reimbursement.

Beijing Land Centre shall, among other things, be responsible for the provision of 5 urban pipes and cables (drainage system, water pipes, gas and electricity supply, telecommunication network). For the installation of each of the 5 urban pipes and cables, 1% of the Reimbursement shall be payable for each installation, 3 days prior the reporting of the installation.

Responsibility of Beijing Land Centre: Beijing Land Centre shall deliver the Land to the Group within 7 days after the date of payment of 95% of the Reimbursement by Beijing Hopson Beifang and Beijing Hopson Lu Zhou.

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

4. Land Transfer Price and Reimbursement

The Land Transfer Price and Reimbursement will be funded by the Group’s internal resources/ bank borrowings.

The Land Transfer Price represents the price for the transfer of land use right in respect of Land under the Land Transfer Contract for the aforesaid term. The Reimbursement which represents the amount of reimbursement payable to Beijing Land Centre for carrying out the Development was stipulated under the Land Transfer Contract. The Development will be completed upon completion of the Infrastructure Works.

5. 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 Transaction is in the ordinary and usual course of business of the Group.

The Land is located in Tong Zhou District of Beijing. The Land is in proximity to various landmarks, namely China World Trade Centre to the west, Beijing Capital Airport to the north and Tanggu port to the east, and is connected to the Jingtong highway. The Land is well equipped with established infrastructure and well facilitated by public transportation.

Tong Zhou District will be one of the primary focus of city development in Beijing. The development of Tong Zhou District will be primarily focused in cultural education, entertainment and tourism, so as to fully experience the canal culture. It is expected that Tong Zhou District will become one of the prime locations in Beijing, both as a cultural and tourism spot and a commercial centre, and as a result, there will be great potential in the property market in Tong Zhou District. In view of the above, the Directors consider that the acquisition of the Land will enrich the Group’s landbank and will bring forth development potential and opportunity for the Group.

Beijing Hopson Beifang, is principally engaged in property development in Beijing.

Beijing Hopson Lu Zhou is principally engaged in property development in Beijing.

6. Discloseable Transaction

Based on the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the Transaction constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. As the Reimbursement Agreement was agreed on the basis that the Land Transfer Contract will be entered into, the Reimbursement Agreement and the Land Transfer Contract are part and parcel of the Transaction. Accordingly, the Company's obligation to make an announcement in respect of the Transaction arises upon entering into the Reimbursement Agreement.

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 Land Transfer Contract and the Reimbursement Agreement have been agreed 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.

Beijing Land Bureau and Beijing Land Centre are third parties independent of the Company and its connected persons.

B. GENERAL

A circular containing, *inter alia*, details of the Transaction will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

C. 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.

D. TERMS USED IN THIS ANNOUNCEMENT

“Beijing Hopson Beifang”	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 an indirect wholly-owned subsidiary of the Company
“Beijing Hopson Lu Zhou”	北京合生綠洲房地產開發有限公司 (Beijing Hopson Lu Zhou Real Estate Development Limited), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Beijing Land Bureau”	北京市國土資源局 (Beijing State Land Resources Bureau)
“Beijing Land Centre”	北京市土地整理儲備中心通洲區分中心 (Beijing Tu Di Zheng Li Chu Bei Zhong Xin, Tong Zhou District Branch)

“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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a piece of land situated at 中國北京市通州區永順鎮喬莊村 (Qiao Zhuang Village, Yong Shun Town, Tong Zhou District, Beijing, PRC)
“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 to be entered into between Beijing Hopson Beifang, Beijing Hopson Lu Zhou and Beijing Land Bureau
“Land Transfer Price”	RMB1,740,000,000 (equivalent to approximately HK\$1,870,967,742), 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
“PRC”	the People’s Republic of China
“Reimbursement”	the sum of RMB493,178,100 (equivalent to approximately HK\$530,299,032) payable by Beijing Hopson Beifang and Beijing Hopson Lu Zhou to Beijing Land Centre under the Reimbursement Agreement
“Reimbursement Agreement”	土地開發建設補償協議 (Agreement for Reimbursement of Land Development) dated 2 April 2008 and entered into between Beijing Hopson Beifang, Beijing Hopson Lu Zhou and Beijing Land Centre
“RMB”	Renminbi
“Shareholders”	shareholders of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Transaction”

the transactions contemplated under the Land Transfer Contract and the Reimbursement Agreement

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

By Order of the Board
Chu Mang Yee
Chairman

Hong Kong, 2 April 2008

* *For identification purposes only*