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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 23 June 2008, the Group made a successful bid for the land use right of the Land through a public bidding process organized and held by Huizhou Property Exchange Centre, as agent of Huizhou Land Bureau.

On 23 June 2008, the Group entered into the Bid Confirmation with Huizhou Property Exchange Centre and Huizhou Land Bureau, pursuant to which the parties to the Bid Confirmation agreed that the Group shall purchase the land use right in respect of the Land at the Land Transfer Price. On 30 July 2008, the Group entered into the Land Transfer Contract with Huizhou Land Bureau 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 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.

## **A. THE TRANSACTION**

### **1. Background**

On 19 June 2008, the Group tendered a bid of RMB771,945,228 (equivalent to approximately HK\$877,210,486) for the land use right in respect of the Land through a public bidding process organized and held by Huizhou Property Exchange Centre, as agent of Huizhou Land Bureau.

On 23 June 2008, the Group was notified by Huizhou Land Bureau and Huizhou Property Exchange Centre 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 Huizhou Daya Bay Economic and Technological Development Zone, West side, Xiangshuihe South, Huizhou with a site area of approximately 1,812,078 square metres and is permitted for industrial, office and residential purposes.

On 23 June 2008, the Group entered into the Bid Confirmation with Huizhou Land Bureau and Huizhou Property Exchange Centre, pursuant to which the parties to the Bid Confirmation agreed that the Group shall purchase the land use right in respect of the Land at the Land Transfer Price.

On 30 July 2008, the Group entered into the Land Transfer Contract with Huizhou Land Bureau for the transfer of the land use right in respect of the Land at the Land Transfer Price.

Huizhou Property Exchange Centre is an agent of Huizhou Land Bureau, a government entity, responsible for organizing and holding the public bidding for the land use right in respect of the Land. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Huizhou Land Bureau, Huizhou Property Exchange Centre and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Land is divided into three parts, Part One Land, Part Two Land and Part Three Land. The Group intends to develop (i) factories, which will be partly sold and partly leased for export processing purposes on Part One Land; (ii) industrial factories, warehouses, office buildings and apartments on Part Two Land to attract projects characterized by high technology, high value added, high efficiency, low resource consumption, low energy consumption and low emission; and (iii) residential building and related facilities on Part Three Land.

## 2. Principal terms of the Land Transfer Contract

Date: 30 July 2008

Parties: (i) Huizhou Land Bureau as transferor; and

(ii) Hopson Youtian as transferee.

Rights to be Acquired: Huizhou Land Bureau agrees to transfer to Hopson Youtian the land use right of the Land.

Term: The transfer of land use right of Part One Land and Part Two Land, which are both for industrial purposes, are each for a term of 50 years commencing from the date of execution of the Land Transfer Contract. The transfer of land use right of Part Three Land, which is for residential purposes, is for a term of 70 years commencing from the date of execution of the Land Transfer Contract. Hopson Youtian may apply to the Huizhou 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 for the transfer of land use right in respect of the Land is RMB771,945,228 (equivalent to approximately HK\$877,210,486).

Upon signing of the Bid Confirmation, the sum of RMB100,000,000 (equivalent to approximately HK\$113,636,364) being the earnest money deposited on 19 June 2008 by Hopson Youtian with Huizhou Property Exchange Centre for the bidding of the land use right in respect of the Land shall be applied towards payment of the down payment.

The balance of the Land Transfer Price, being RMB671,945,228 (equivalent to approximately HK\$763,574,123) shall be paid by Hopson Youtian to Huizhou Land Bureau within 180 days from the date of execution of the Land Transfer Contract.

Responsibilities of Hopson Youtian: Hopson Youtian shall, among other things, apply to Huizhou Land Bureau for the registration of the land use right to obtain the State-owned land use right certificate, develop the Land in accordance with the 大亞灣響水河南部片區控制性詳細規劃 (Daya Bay Xiangshuihe South Control Detailed Plan), city development plan, environmental protection requirements, requirements relating to the developments in the export processing zone, requirements of the PRC State Land Resources Bureau and requirements for the development of industrial projects in the Daya Bay District, which shall possess characteristics of high technology, high value added, high efficiency, low resource consumption, low energy consumption and low emission.

Hopson Youtian shall commence construction works on the Land by 31 August 2008.

Responsibility of Huizhou Land Bureau: Huizhou Land Bureau shall deliver the Land to the Group with the Land leveled and roads and drainage system constructed in respect of the Land.

Huizhou Land Bureau shall deliver all parts of the Land to the Group by the end of November 2009.

### **3. Land Transfer Price**

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

The consideration, being the Land Transfer Price, was determined based upon the base price for the transfer of land use right in respect of Land fixed and tendered by Huizhou Land Bureau under the Land Transfer Contract.

### **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 Transaction is in the ordinary and usual course of business of the Group. Hopson Youtian is principally engaged in property development in Huizhou.

The Land is located in Huizhou Daya Bay Economic and Technological Development Zone, West side, Xiangshuihe South, Huizhou. Huizhou is one of the major cities in the southern part of the PRC and is located in the eastern part of the Pearl River Delta,

where the Xizhi River joins the Dongjiang River. Huizhou is located at a port of entry and is an industrial centre in the Dongjiang Valley. The Huizhou Daya Bay Economic and Technological Development Zone, approved as a state level development zone, is located in the south of Huizhou, next to Hong Kong and Shenzhen, and is within the most developed and most active economic area of Pearl River Delta. According to the government's plan, the Huizhou Daya Bay Economic and Technological Development Zone will be primarily focused on the development of major industries along the sea side such as oil and gas, information technology, automotive, port logistics, and tourism industries, and investment projects to be carried out in the zone shall be of high technology, high value added, high efficiency, low resource consumption, low energy consumption and low emission. It is expected that the Daya Bay Economic and Technological Development Zone will become one of the prime locations in Huizhou as the export processing centre, and as a result, there will be great potential in the property market in the Daya Bay Economic and Technological Development Zone.

While the Group has already established a presence in the city of Huizhou, the Group has not yet made an entry into the property market in the Daya Bay Economic and Technological Development Zone. The Directors consider that the Transaction will provide an opportunity for the Group to establish its presence in the Daya Bay Economic and Technological Development Zone, a location which the Directors consider to be of growing potential, and hence will have a positive impact on the brand-building of the Group in the Daya Bay Economic and Technological Development Zone as well as the overall business expansion of the Group.

Furthermore, in view of the potential of the property market in the Daya Bay Economic and Technological Development Zone, the Directors believe that the acquisition of the Land will enrich the Group's landbank and will bring forth development potential and opportunity for the Group.

## **5. 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.

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 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.

Huizhou Property Exchange Centre is an agent of Huizhou Land Bureau, a government entity, responsible for coordinating the tender bid for the land use right in respect of the Land. To the best of the Directors' knowledge, information and belief having made all

reasonable enquiry, Huizhou Land Bureau, Huizhou Property Exchange Centre and their respective ultimate beneficial owners 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, ZHAO Hai, CHEN Chang Ying, AU Wai Kin, XUE Hu, ZHAO Mingfeng 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**

“Bid Confirmation”	惠州市大亞灣土地使用權掛牌交易成交確認書 (Huizhou Municipal Daya Bay land use right bid confirmation) in respect of the Land dated 23 June 2008 and entered into between Hopson Youtian, Huizhou Land Bureau and Huizhou Property Exchange Centre
“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
“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
“Hopson Youtian”	惠州市合生友天置業有限公司 (Huizhou Municipal Hopson Youtian Real Estate Limited) a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Huizhou Land Bureau”	惠州市國土資源局大亞灣區分局 (Daya Bay District sub-Bureau of the Huizhou State Land Resources Bureau)
“Huizhou Property Exchange Centre”	惠州大亞灣經濟技術開發區地產交易中心 (Huizhou Daya Bay Financial Development District Property Exchange Centre)

“Land”	a piece of land situated at 中國惠州市大亞灣經濟技術開發區西區響水河南部地段 (Daya Bay Economic and Technological Development Zone, West side, Xiangshuihe South, Huizhou, PRC)
“Land Transfer Contract”	國有土地使用權出讓合同 (Contract for the transfer of the land use right of State-owned land) in respect of the Land dated 30 July 2008 and entered into between Hopson Youtian and Huizhou Land Bureau
“Land Transfer Price”	RMB771,945,228 (equivalent to approximately HK\$877,210,486), 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
“Part One Land”	one part of the Land allocated as the export processing zone with a site area of 1,006,504 square metres
“Part Two Land”	one part of the Land allocated as the industrial zone with a site area of 449,446 square metres
“Part Three Land”	one part of the Land allocated as the residential zone with a site area of 356,128 square metres
“PRC”	the People’s Republic of China
“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

*For illustrative purpose of this announcement, RMB0.88 = HK\$1.*

By Order of the Board  
**Chu Mang Yee**  
*Chairman*

Hong Kong, 30 July 2008

\* *For identification purposes only*