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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>

**DISCLOSEABLE TRANSACTION: ACQUISITION OF
LAND LOCATED IN BEIJING, PRC
AND
MAJOR TRANSACTION: ACQUISITION OF LAND LOCATED IN BEIJING, PRC**

Acquisition of lands in Beijing, PRC

On 19 May 2020, (i) Purchaser B, a subsidiary of the Company, became the successful bidder for the land use rights in respect of Land B at the total consideration of RMB4.2 billion through Bidding B; and (ii) Purchaser C, a subsidiary of the Company, became the successful bidder for the land use rights in respect of Land C at the total consideration of RMB6.54 billion through Bidding C.

The Group intends to develop both Land B and Land C into residential buildings.

Implications under the HKLR

Acquisition B constitutes a discloseable transaction of the Company under Chapter 14 of HKLR and is therefore subject to the notification and announcement requirements but is not required to be approved by the Shareholders.

Acquisition C constitutes a major transaction of the Company under Chapter 14 of the HKLR. Since Acquisition C also constitutes a Qualified Property Acquisition, it is subject to notification and announcement requirements but is exempt from shareholders' approval requirement 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 Acquisition C 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 19 May 2020, BMCPNR informed (i) Purchaser B that it had succeeded in bidding for the land use rights in respect of Land B; and (ii) Purchaser C that it had succeeded in bidding for the land use rights in respect of Land C. Set out below are the principal terms of each of Acquisition B and Acquisition C and other relevant information.

2. ACQUISITION B

Parties:	(i) BMCPNR, as transferor (ii) Purchaser B, as successful bidder
Location of Land B:	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 17,831.971 sq.m. and a gross floor area (建築控制規模面積) of 55,141 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:	RMB4.2 billion
Deposit paid:	RMB592 million

3. ACQUISITION C

Parties:	(i) BMCPNR, as transferor (ii) Purchaser C, as successful bidder
Location of Land C:	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 29,750.725 sq.m. and a gross floor area (建築控制規模面積) of 88,484 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: RMB6.54 billion

Deposit paid: RMB950 million

4. FURTHER INFORMATION ON PURCHASE PRICE B AND PURCHASE PRICE C

The purchase price for Acquisition B is RMB4.2 billion payable in cash, which represents the bid price submitted by Purchaser B through Bidding B. Purchaser B has already paid a deposit of RMB592 million. The balance of Purchase Price B (RMB3.608 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 15 June 2020. The Group intends to finance Purchase Price B by internal resources.

The purchase price for Acquisition C is RMB6.54 billion payable in cash, which represents the bid price submitted by Purchaser C through Bidding C. Purchaser C has already paid a deposit of RMB950 million. The balance of Purchase Price C (RMB5.59 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 15 June 2020. The Group intends to finance Purchase Price C by internal resources.

Purchase Price B was arrived at as a result of successful bidding of Land B by Purchaser B at Bidding B which was conducted in accordance with the relevant PRC laws and regulations. Purchase Price C was arrived at as a result of successful bidding of Land C by Purchaser C at Bidding C which was conducted in accordance with the relevant PRC laws and regulations. The Group determined the bid price for Land B and Land C after taking into account, among other things, (i) the base price set by BMCPCR (being RMB2.956 billion in the case of Land B and RMB4.744 billion in the case of Land C); (ii) current property market conditions adjacent to Fenzhongs Village, Nanyuanxiang, Fengtai District, Beijing; and (iii) the location and development potential of Land B and Land C. No independent valuation in respect of Land B or Land C has been taken as reference for setting the bid prices.

5. INFORMATION ON LAND B AND LAND C AND THE DEVELOPMENT PROJECT

Each of Land B and Land C is located at Fenzhongs Village, Nanyuanxiang, Fengtai District, Beijing and is for residential use. The Group plans to (i) develop Land B into four blocks of residential buildings with an aggregate gross floor area of approximately 55,141 sq.m.; and (ii) develop Land C into seven blocks of residential buildings with an aggregate gross floor area of approximately 88,484 sq.m.. As at the Announcement Date, it is expected that (i) the construction work in respect of Land B will commence in or about February 2021 and the pre-sale will commence in or about April 2021; and (ii) the construction work in respect of Land C will commence in or about January 2021 and the pre-sale will commence in or about March 2021.

6. 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.

Each of Purchaser B and Purchaser C is a company which the Company indirectly owns 100% of its interests. Purchaser B is established in the PRC whose principal business is corporate management. Purchaser C is 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).

7. REASONS FOR ENTERING INTO, AND BENEFITS OF, EACH OF ACQUISITION B AND ACQUISITION C

Each of Land B and Land C 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. Each of Acquisition B and Acquisition C is also in line with the Group's long term strategy in land bank by replenishing the Group's land bank located in tier one cities. Each of Acquisition B and Acquisition C 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 each of Acquisition B and Acquisition C are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

8. IMPLICATIONS UNDER HKLR

8.1 Acquisition B

As the highest applicable percentage ratio in respect of Acquisition B is more than 5% but is less than 25%, Acquisition B constitutes a discloseable transaction of the Company under Chapter 14 of HKLR and is therefore subject to the notification and announcement requirements but is not required to be approved by the Shareholders.

8.2 Acquisition C

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

Acquisition C 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 Acquisition C is undertaken by the Group on a sole basis and in the Group's ordinary and usual course of business. Acquisition C is therefore subject to notification and announcement requirements but is exempt from shareholders' approval requirements pursuant to Rule 14.33A(1) of the HKLR. Further, pursuant to Rule 14.33B(1) of HKLR, the Company must send a circular to the Shareholders. As at the Announcement Date, it is expected that a circular containing, among other things, further details of Acquisition C 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 B”	acquisition of Land B by the Group through Purchaser B as disclosed in this announcement
“Acquisition C”	acquisition of Land C by the Group through Purchaser C as disclosed in this announcement
“Announcement Date”	the date of this announcement, being 20 May 2020
“Bidding B”	the public bidding process in relation to Land B 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)
“Bidding C”	the public bidding process in relation to Land C 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 B”	plot L-39, Fenzhongsi Village, Nanyuanxiang, Fengtai District, Beijing (北京市豐台區南苑鄉分鐘寺村L-39 地塊)
“Land C”	plot L-41, Fenzhongsi Village, Nanyuanxiang, Fengtai District, Beijing (北京市豐台區南苑鄉分鐘寺村L-41地塊)
“percentage ratio”	as defined under Rule 14.07 of the HKLR
“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 B”	the purchase price payable for Acquisition B, being RMB4.2 billion
“Purchase Price C”	the purchase price payable for Acquisition C, being RMB6.54 billion
“Purchaser B”	Beijing Hixin Chenrui Enterprises Management Company Limited* (北京合昕晨銳企業管理有限公司)
“Purchaser C”	Beijing Heying Ruiheng Property Development Company Limited* (北京合盈銳恆房地產開發有限公司)
“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, 20 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.*