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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>

**1. MAJOR TRANSACTION
IN RELATION TO ACQUISITION OF SHARES OF
EVERGRANDE PROPERTY SERVICES GROUP LIMITED;**

2. INSIDE INFORMATION;

3. NON-COMPLETION OF MAJOR TRANSACTION;

AND

4. RESUMPTION OF TRADING

ACQUISITION

On 1 October 2021, the Purchaser (an indirect non-wholly owned subsidiary of the Company), the Vendor and the Vendor's Guarantor entered into the Agreement, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell and procure the sale of, the Sale Shares, representing approximately 50.10% of the issued share capital of the Target Company as at the date of the Agreement at the Consideration of HK\$20,040,000,350.70, equivalent to HK\$3.70 per Sale Share.

Pursuant to the Agreement, Completion shall take place on or before 12 October 2021. Upon Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

INSIDE INFORMATION AND NON-COMPLETION OF THE MAJOR TRANSACTION

This announcement is also issued by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board regrets to announce that the Vendor has failed to complete the sale of the Sale Shares to the Purchaser on 12 October 2021 in accordance with the terms of the Agreement. On 13 October 2021, the Purchaser issued the Purchaser's Notice to demand the Vendor to perform its obligations in accordance with the Agreement, while reserving all the Purchaser's legal rights including its rights under the Agreement. On the same day of, but subsequent to, the Purchaser's Notice, the Purchaser received the Vendor's Notice declaring the Vendor's rescission from, or termination of, the Agreement. The Purchaser does not accept that there is any substance whatsoever to the Vendor's purported rescission or termination of the Agreement and has refuted the Vendor's Notice. While the Purchaser is prepared to complete the purchase of the Sale Shares in accordance with the Agreement, in view of the Vendor's Notice there is no certainty that the sale and purchase of the Sale Shares as agreed will be completed pursuant to the Agreement.

The Company noticed recent speculative media reports about latest developments relating to the Agreement. The Company reiterates that until now the Purchaser is prepared to complete the sale and purchase of the Sale Shares in accordance with the Agreement. However, the Purchaser found the other parties' request following the execution of the Agreement to change the agreed terms, including among others the terms of payment of the Consideration, unacceptable. According to the Agreement, the Purchaser shall pay the Consideration into the Target Company's bank account pending the netting of payable and receivable between the Target Company and the Vendor's Guarantor and its related parties, whereupon the balance of the Consideration shall be paid to the Vendor. The Purchaser rejected the other parties' request to, instead, pay the Consideration to the Vendor directly because pending completion of the Purchaser's due diligence on the Target Company for settlement of the payable and receivable between the Target Company and the Vendor's Guarantor and its related parties, such arrangement would make it difficult to ensure the Target Company could recover the amounts payable from the Vendor's Guarantor and its related parties.

The Company is exploring the options available to it for the protection of its legitimate interests in relation to the Agreement. Further announcement(s) will be issued by the Company as and when appropriate. If the sale and purchase of the Sale Shares is completed in accordance with the terms of the Agreement, the Purchaser will make a mandatory general offer to acquire the Sale Shares pursuant to the Takeovers Code.

RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 4 October 2021 pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 21 October 2021.

1. INTRODUCTION

On 1 October 2021, the Purchaser (an indirect non-wholly owned subsidiary of the Company), the Vendor and the Vendor's Guarantor entered into the Agreement, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell and procure the sale of, the Sale Shares. Set out below are the principal terms of the Acquisition and other relevant information.

2. THE AGREEMENT

The principal terms of the Agreement are set out below:

2.1 Date

1 October 2021

2.2 Parties

- (1) Purchaser: Hooplife Technology Group Limited
- (2) Vendor: CEG Holdings (BVI) Limited
- (3) Vendor's Guarantor: China Evergrande Group

2.3 Acquisition

The Purchaser agreed to purchase, and the Vendor agreed to sell and procure the sale of, the Sale Shares, representing approximately 50.10% of the issued share capital of the Target Company as at the date of the Agreement.

2.4 Consideration

The Consideration is HK\$20,040,000,350.70, equivalent to HK\$3.70 per Sale Share. The Consideration shall be settled by the Purchaser in cash.

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendor on the basis of the agreed total value of the Target Company of HK\$40,000,000,000.00.

The Group intends to finance the Consideration by internal resources and bank financings.

2.5 Liquidated damages

If a party to the Agreement shall commit a breach of the Agreement rendering the parties unable to proceed to Completion in accordance with the Agreement, the non-defaulting party shall have the right to terminate the Agreement. Upon such termination, the party in default shall be liable to pay to the non-defaulting party liquidated damages of HK\$1,000,000,000.00.

2.6 Completion

Pursuant to the Agreement, Completion shall take place on or before 12 October 2021. Upon Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

3. INFORMATION ON THE TARGET GROUP

3.1 General information on the Target Company and Target Group

The Target Company is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 6666). The Target Group is principally engaged in the integrated properties management services business.

3.2 Financial information on Target Group

Based on the 2021 Interim Report, the unaudited total assets and total net assets of the Target Group as at 30 June 2021 were approximately RMB 22,709,770,000 and RMB 11,913,609,000, respectively.

Based on the 2020 Annual Report, the audited net profit before and after taxation of the Target Group for the financial years ended 31 December 2019 and 2020 are as follows:

	Year ended 31 December	
	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit before taxation	1,229,185	3,498,739
Net profit after taxation	930,524	2,647,368

4. INFORMATION ON THE PARTIES

4.1 The Company

The Company is an investment holding company incorporated in Bermuda. The Group is mainly engaged in the development of residential properties, commercial properties investment, property management and infrastructure business in Mainland China, and investments business.

4.2 Purchaser

The Purchaser is a company incorporated in the Cayman Islands. The Purchaser Group is engaged in the provision of property management services, value-added services to non-property owners, and community value-added services in the PRC. As at the date of this announcement, the Purchaser was owned as to (i) 80% by an indirect wholly-owned subsidiary of the Company and (ii) 20% by a company which in turn is indirectly owned as to 80% by Mr. Chu and 20% by the Company.

4.3 Vendor

The Vendor is a company incorporated in the BVI with limited liability. According to the 2021 Interim Report and 2020 Annual Report, the Vendor is an indirect wholly-owned subsidiary of the Vendor's Guarantor.

4.4 Vendor's Guarantor

The Vendor's Guarantor is a company incorporated in the Cayman Islands whose shares are listed on the main board of the Stock Exchange (stock code: 3333). The Vendor's Guarantor holds a diversified range of business. The Vendor's Guarantor is a conglomerate and is principally engaged in the property development, property investment, property management, new energy vehicle business, hotel operations, finance business, internet business and health industry business in the PRC.

To the best of the Director's knowledge, information and belief, and after making all reasonable enquiries, the Vendor, the Vendor's Guarantor and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

5. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Purchaser Group is engaged in the provision of property management services, value-added services to non-property owners, and community value-added services in the PRC as disclosed in section 4.2 above. It has been one of the Group's strategies to expand its business segment of property management.

According to the 2020 Annual Report, the Target Group has a long operating history and is one of the largest and fastest-growing comprehensive property management service providers in the PRC. The Target Group is principally engaged in the provision of (i) property management services, (ii) community value-added services and (iii) value-added services to non-property owners. The Target Group has been highly recognised by the market. The Target Group was ranked third in the Top 100 Brand Value of China Property Service Enterprises in 2020, and was among the Top 100 China Leading Property Service Enterprises in Servicing Quality and the Top 100 China Leading Property Service Enterprise in Customer Satisfaction in 2020.

The Board (including the independent non-executive Directors) considered that the Acquisition presents a valuable opportunity for the Group to benefit from the established operating system of the Target Group and leverage the experience, industry knowledge and talents of the Target Group. The Board (including the independent non-executive Directors) considered that the Acquisition allows the Group to tap into new local markets and expand its scale of operation and market presence within a relatively shorter timeframe.

The Board (including the independent non-executive Directors) considered that the terms of the Agreement have been reached after arm's length negotiation and that the terms of the Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

6. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by way of written shareholders' approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition, and (b) written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the Acquisition.

On the date of the Agreement, the Company has obtained the written Shareholder's approval from Sounda Properties Limited, a Shareholder who was interested in an aggregate of 1,160,363,809 Shares, representing approximately 53.26% of the entire issued share capital of the Company as at the date of the Agreement. Such written approval of Sounda Properties Limited has been accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

7. INSIDE INFORMATION AND NON-COMPLETION OF THE MAJOR TRANSACTION

This announcement is also issued by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board regrets to announce that the Vendor has failed to complete the sale of the Sale Shares to the Purchaser on 12 October 2021 in accordance with the terms of the Agreement. On 13 October 2021, the Purchaser issued the Purchaser's Notice to demand the Vendor to perform its obligations in accordance with the Agreement, while reserving all the Purchaser's legal rights including its rights under the Agreement. On the same day of, but subsequent to, the Purchaser's Notice, the Purchaser received the Vendor's Notice declaring the Vendor's rescission from, or termination of, the Agreement. The Purchaser does not accept that there is any substance whatsoever to the Vendor's purported rescission or termination of the Agreement and has refuted the Vendor's Notice. While the Purchaser is prepared to complete the purchase of the Sale Shares in accordance with the Agreement, in view of the Vendor's Notice there is no certainty that the sale and purchase of the Sale Shares as agreed will be completed pursuant to the Agreement.

The Company noticed recent speculative media reports about latest developments relating to the Agreement. The Company reiterates that until now the Purchaser is prepared to complete the sale and purchase of the Sale Shares in accordance with the Agreement. However, the Purchaser found the other parties' request following the execution of the Agreement to change the agreed terms, including among others the terms of payment of the Consideration, unacceptable. According to the Agreement, the Purchaser shall pay the Consideration into the Target Company's bank account pending the netting of payable and receivable between the Target Company and the Vendor's Guarantor and its related parties, whereupon the balance of the Consideration shall be paid to the Vendor. The Purchaser rejected the other parties' request to, instead, pay the Consideration to the Vendor directly because pending completion of the Purchaser's due diligence on the Target Company for settlement of the payable and receivable between the Target Company and the Vendor's Guarantor and its related parties, such arrangement would make it difficult to ensure the Target Company could recover the amounts payable from the Vendor's Guarantor and its related parties.

The Company is exploring the options available to it for the protection of its legitimate interests in relation to the Agreement. Further announcement(s) will be issued by the Company as and when appropriate. If the sale and purchase of the Sale Shares is completed in accordance with the terms of the Agreement, the Purchaser will make a mandatory general offer to acquire the Sale Shares pursuant to the Takeovers Code.

8. DESPATCH OF CIRCULAR

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, details of the major transaction constituted by the Acquisition and other information as required by the Listing Rules, is required to be despatched to the Shareholders within 15 business days from the date of this announcement. As a result of the latest development, unless the Acquisition proceeds, the Company considers that a circular on the Acquisition will no longer be meaningful or informative to the market or the Shareholders. Accordingly, no circular will be despatched by the Company on the Acquisition unless the Acquisition proceeds.

9. RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 4 October 2021 pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 21 October 2021.

DEFINITIONS

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

“2020 Annual Report”	the annual report of the Target Company for the year ended 31 December 2020
“2021 Interim Report”	the interim report of the Target Company for the six months ended 30 June 2021
“Acquisition”	the acquisition of the Sale Shares by the Purchaser
“Agreement”	the agreement dated 1 October 2021 entered into among the Vendor, the Purchaser and the Vendor’s Guarantor in respect of the sale and purchase of the Sale Shares
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	Hopson Development Holdings Limited, a company incorporated in Bermuda and whose Shares are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms of the Agreement
“Consideration”	the consideration for the Sale Shares
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chu”	Mr. Chu Mang Yee, the controlling Shareholder of the Company, a former executive Director and the former Chairman of the Board
“Purchaser”	Hooplife Technology Group Limited, a company incorporated in the Cayman Islands with limited liability
“Purchaser Group”	Purchaser and its subsidiaries (including controlled entities via contractual arrangement, if any) from time to time
“Purchaser’s Notice”	the notice dated 13 October 2021 served by the Purchaser’s legal advisers on behalf of the Purchaser to the Vendor and the Vendor’s Guarantor in accordance with the Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	5,416,216,311 Target Shares, representing approximately 50.10% of the issued share capital of the Target Company as at the date of the Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holders of the Shares
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Company”	Evergrande Property Services Group Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange
“Target Group”	the Target Company and its subsidiaries
“Target Shares”	share(s) with a par value of US\$0.0001 each in the issued share capital of the Target Company
“Vendor”	CEG Holdings (BVI) Limited, a company incorporated in the BVI with limited liability and which is indirectly wholly owned by the Vendor’s Guarantor

“Vendor’s Guarantor”	China Evergrande Group, a company incorporated in the Cayman Islands and whose shares are listed on the main board of the Stock Exchange
“Vendor’s Notice”	a letter from the Vendor’s legal advisers dated 13 October 2021 to the Company

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

Hong Kong, 20 October 2021

As at the date of this announcement, the board of directors of the Company comprises eight Directors. The executive Directors are Ms. Chu Kut Yung (Chairman), Mr. Zhang Fan (Co-president), Mr. Au Wai Kin, Mr. Xie Bao Xin and Mr. Bao Wenge; and the independent non-executive Directors are Mr. Tan Leng Cheng, Aaron, Mr. Ching Yu Lung and Mr. Ip Wai Lun, William.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

* *For identification purpose only.*