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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: 00754)

**CONNECTED TRANSACTION
ACQUISITION OF PROPERTY MANAGEMENT COMPANY**

ACQUISITION

The Board is pleased to announce that, on 16 July 2021 (after trading hours), Esteem Property (as purchaser) entered into the Agreement with Zhujiang Real Estate (as vendor) and Ruite Property (as target company), pursuant to which Zhujiang Real Estate has agreed to transfer 100% equity interest of Ruite Property to Esteem Property at the consideration of approximately RMB1,143,000. Upon completion of the Acquisition, Ruite Property will become an indirect non-wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Zhujiang Real Estate, being a majority-controlled company held directly or indirectly by family members of Mr. Chu Mang Yee, is an associate of Mr. Chu Mang Yee. Mr. Chu Mang Yee is the controlling shareholder of the Company. Accordingly, Zhujiang Real Estate is a connected person of the Company under the Listing Rules and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to the Rules 14A.81 and 14A.82 of the Listing Rules, the Acquisition and the Previous Acquisition shall be aggregated as if they were one transaction because they were entered into within a 12-month period by the Group with parties who are connected with one another. Upon aggregation, as one or more of the relevant applicable percentage ratios (other than the profits ratio) as defined under the Listing Rules, are more than 0.1% but less than 5%, the Acquisition is subject to annual review, reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. INTRODUCTION

The Board is pleased to announce that, on 16 July 2021 (after trading hours), Esteem Property (as purchaser) entered into the Agreement with Zhujiang Real Estate (as vendor) and Ruite Property (as target company), pursuant to which Zhujiang Real Estate has agreed to transfer 100% equity interest of Ruite Property to Esteem Property. A summary of the principal terms of the Agreement and relevant information is set out below.

2. AGREEMENT

2.1 Date

16 July 2021 (after trading hours)

2.2 Parties

- (1) Zhujiang Real Estate (as vendor)
- (2) Esteem Property, an indirect non-wholly-owned subsidiary of the Company (as purchaser)
- (3) Ruite Property (as target company)

2.3 Assets to be acquired by the Group under the Agreement

Subject to the terms of the Agreement, Zhujiang Real Estate has agreed to transfer 100% equity interests of Ruite Property to Esteem Property. Upon completion of the Acquisition, Ruite Property will become an indirect non-wholly-owned subsidiary of the Company.

2.4 Consideration

The consideration for the Acquisition is approximately RMB1,143,000, which was arrived at after arm's length negotiation between the parties to the Agreement with reference to the following factors:

1. the pre-money valuation of Ruite Property as at 31 May 2021 in the amount of approximately RMB1,140,000 using income approach according to the valuation report prepared by an independent valuer appointed by Esteem Property; and
2. the financial information of Ruite Property. See the section headed "Information on the Parties" below for further details.

The Group intends to finance the consideration for the Acquisition by the internal resources of the Group.

2.5 Payment of consideration

The consideration for the Acquisition shall be payable in full by Esteem Property to Zhujiang Real Estate within 10 business days after completion of the Acquisition.

2.6 Completion

Completion of the Acquisition shall take place on the first business day after Ruite Property has obtained an updated business license and completed tax registration and bank registration reflecting the Acquisition and registration of Esteem Property as sole shareholder on the register of shareholders of Ruite Property.

3. INFORMATION ON THE PARTIES

3.1 The Company

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, infrastructure and investment business.

3.2 Zhujiang Real Estate

Zhujiang Real Estate is a limited liability company organized and existing under the laws of the PRC. It is primarily engaged in the real estate investment. It is a majority-controlled company held directly or indirectly by family members of Mr. Chu Mang Yee.

3.3 Esteem Property

Esteem Property is a limited liability company organized and existing under the laws of the PRC. It is primarily engaged in property management services. It is an indirect non-wholly owned subsidiary of the Company.

3.4 Ruite Property

Ruite Property is a limited liability company incorporated in the PRC in 2005 under the laws of the PRC. It is primarily engaged in the property management services, real estate development services, self-developed commercial property sales services and heat delivery services.

The original acquisition costs of Ruite Property by Zhujiang Real Estate in 2007 is approximately RMB1,143,000.

For the two years ended 31 December 2019 and 2020, extract of key items from the management accounts of Ruite Property prepared based on the generally accepted accounting principles in the PRC are as follows:

	Year ended 31 December	
	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit before taxation	71	905
Net profit after taxation	53	370
Total assets	179,630	192,539
Net assets value	542	865

4. REASONS FOR AND BENEFITS OF THE ACQUISITION

Ruite Property holds a diversified property service-oriented business portfolio comprising property management services, real estate development services, self-developed commercial property sales services and heat delivery services. The Directors of the Company believe that the Acquisition will help as follows:

- (1) **enhancing the resources of quality projects under management of Esteem Property.** The total area of projects under the management of Ruite Property is amounted to 341,000 square meters, which involves properties such as villas and commercial complexes in first-tier cities. The acquisition of Ruite Property will help further increase the area under management of Esteem Property and enhance the resources of quality projects under management;
- (2) **Hooplife Technology Group of the Group reaching out to premium customers with high consumption demand and purchasing power.** The projects under the management of Ruite Property are high-end projects in first-tier cities where premium customers with high income and high consumption demand and purchasing power can be engaged. The projects under management of Ruite Property can provide access to more customers, which is conducive to attracting more potential active users for Hooplife Community Technology and local life service; and
- (3) **attracting more merchants and households from the surrounding communities to the ecosystem of Hooplife.** By acquiring the projects under the management of Ruite Property, Hooplife also gains access to valuable resources such as merchants and traffic in the private domain from the surroundings. Through integrating merchants and residents from residential buildings, shopping centers and office buildings in the vicinity into Hooplife's ecosystem, Hooplife would be able to keep expanding its own ecosystem by providing service portfolio such as one-stop service platform and empowering technology services.

Having taken into account the above reasons and benefits, the Directors (including all the independent non-executive Directors) are of the view that the terms of Agreement are on normal commercial terms or better and are fair and reasonable and in the interests of the Company and its shareholders as a whole. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, except for Ms. Chu Kut Yung, who is a Director of the Company and the daughter of Mr. Chu Mang Yee, no member of the Board has any material interest in the Acquisition. Ms. Chu Kut Yung did not vote on the relevant board resolution of the Company approving the Acquisition.

5. LISTING RULES IMPLICATIONS

As of the date of this announcement, Zhujiang Real Estate, being a majority-controlled company held directly or indirectly by family members of Mr. Chu Mang Yee, is an associate of Mr. Chu Mang Yee. Mr. Chu Mang Yee is the controlling shareholder of the Company. Accordingly, Zhujiang Real Estate is a connected person of the Company under the Listing Rules and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to the Rules 14A.81 and 14A.82 of the Listing Rules, the Acquisition and the Previous Acquisition shall be aggregated as if they were one transaction because they were entered into within a 12-month period by the Group with parties who are connected with one another. Upon aggregation, as one or more of the relevant applicable percentage ratios (other than the profits ratio) as defined under the Listing Rules, are more than 0.1% but less than 5%, the Acquisition is subject to annual review, reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

6. DEFINITIONS

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

“Acquisition”	the acquisition of 100% equity interest of Ruite Property contemplated under the Agreement
“Agreement”	the equity transfer agreement dated 16 July 2021 entered into among Zhujiang Real Estate, Esteem Property and Ruite Property
“associate”	has the meaning as ascribed to this term under the Listing Rules
“Board”	the board of Directors
“business day”	a day on which banks in the PRC are generally open and which is not a Saturday, Sunday or public holiday in the PRC

“Company”	Hopson Development Holdings Limited, a company incorporated in Bermuda and whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning as ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Esteem Property”	Guangdong Esteem Property Services Limited (廣東康景物業服務有限公司), a limited liability company organized and existing under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“majority-controlled company”	has the meaning as ascribed to this term under the Listing Rules
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes the Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Acquisition”	the subscription of 20% of Meta Group Limited (a company ultimately held by Mr. Chu Mang Yee) by Joyful Fit Limited (an indirect wholly-owned subsidiary of the Company), details of which are set out in the Company’s announcement dated 3 November 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Ruite Property”	Beijing Ruite Property Management Limited* (北京瑞特物業管理有限公司), a limited liability company organized and existing under the laws of the PRC
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“Zhujiang Real Estate”

Beijing Zhujiang Real Estate Development Co., Ltd.* (北京珠江房地產開發有限公司), a limited liability company organized and existing under the laws of the PRC

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

Hong Kong, 16 July 2021

As at the date of this announcement, the Board 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 and Mr. Ching Yu Lung and Mr. Ip Wai Lun, William.

* *For identification purpose only*