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HOPEWELL HOLDINGS LIMITED

合和實業有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 54)

CONNECTED TRANSACTION

ACQUISITION OF MINGWAY COMPANY, LIMITED

On 30 July 2008, Procelain and Hopewell Properties (both wholly-owned subsidiaries of the Company) entered into the Acquisition Agreement with Galette and Chi Chung pursuant to which Galette agreed to sell and Procelain agreed to purchase the Sale Shares for a cash consideration of HK\$208.4 million.

The Acquisition constitutes a connected transaction of the Company and is subject to the reporting and announcement requirements, but exempt from the requirement of independent shareholders' approval, under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Acquisition are fair and reasonable and in the interests of the Company's shareholders as a whole.

THE ACQUISITION AGREEMENT

Date

30 July 2008

Parties

- Vendor : Galette, a company indirectly wholly-owned by Chi Chung. The principal business of Galette is investment holding.
- Purchaser : Procelain, an indirect wholly-owned subsidiary of the Company. The principal business of Procelain is property investment.
- Vendor's guarantor : Chi Chung, a company wholly-owned by Sir Gordon Ying Sheung Wu and Lady Ivy Sau Ping Kwok Wu. The principal businesses of Chi Chung are investment holding, trading of properties and securities, and the provision of management services.

Purchaser's guarantor : Hopewell Properties, a direct wholly-owned subsidiary of the Company. The principal business of Hopewell Properties is investment holding.

The Acquisition

The Acquisition comprises the acquisition of the Sale Shares by Procelain from Galette. The Sale Shares represent the entire issued share capital of Mingway. Mingway is principally engaged in property investment and its principal asset is its sole ownership of the Properties. The Properties have always been held by Mingway, which was the developer of them.

The Properties comprise 2 commercial units located on the Ground Floor, and 2 commercial units and a restaurant located on the Second Floor, Wu Chung House, No. 213 Queen's Road East, Hong Kong. The total gross floor area of the Properties is approximately 17,670 square feet and they are currently being let out for use as shops and restaurants.

When the interest in the company holding the Properties was acquired by Sir Gordon Ying Sheung Wu and Lady Ivy Sau Ping Kwok Wu in 1997, the value attributable to the Properties was approximately HK\$130 million, which was identical to the acquisition price of Mingway to Sir Gordon Ying Sheung Wu and Lady Ivy Sau Ping Kwok Wu.

Consideration

The consideration is HK\$208.4 million (payable in cash at Completion) which was determined after arm's length negotiations between Procelain and Galette by reference to the valuation of the Properties as at 30 June 2008 of HK\$210 million made by DTZ Debenham Tie Leung Limited, an independent valuer and the sundry assets and liabilities of Mingway.

Warranties

Customary warranties (including those in relation to title to assets, accounts, record keeping and compliance with law and material contracts) are given by Galette to Procelain pursuant to the Acquisition Agreement.

The Acquisition Agreement provides that a deed of tax covenant is to be entered into between Procelain, Galette and Chi Chung at Completion, pursuant to which Galette will indemnify Procelain in respect of certain tax liabilities (including deferred tax liability) relating to events occurring on or before Completion and Chi Chung will guarantee the due and punctual observance of all the obligations of Galette thereunder.

Completion

The Acquisition Agreement provides that Completion is to take place within five business days after the signing of the Acquisition Agreement (or such other date as may be agreed between Procelain and Galette).

Guarantees

Chi Chung and Hopewell Properties have agreed to guarantee the due and punctual observance of all the obligations of Galette and Procelain respectively under the Acquisition Agreement.

FINANCIAL INFORMATION ON MINGWAY

The audited net profit before taxation of Mingway for FY2007 and FY2008 were approximately HK\$30.7 million (which included a revaluation gain of investment properties of HK\$25 million) and approximately HK\$47.2 million (which included a revaluation gain of investment properties of HK\$40 million) respectively. The net profit after taxation of Mingway for FY2007 and FY2008 were approximately HK\$25.3 million (which included a revaluation gain of investment properties net of attributable deferred tax of approximately HK\$20.6 million) and approximately HK\$40.5 million (which included a revaluation gain of investment properties net of attributable deferred tax of approximately HK\$33.4 million) respectively.

The audited net asset value of Mingway as at 30 June 2008 was approximately HK\$182.3 million (which has taken into account provision for deferred taxation of approximately HK\$25.3 million which, if payable, will be borne by the Vendor).

The revenue of Mingway is mainly derived from rental, management fees and air-conditioning fees generated from the Properties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board believes that acquiring the Properties by means of the Acquisition will provide synergy for such retail stores and restaurants located at Wu Chung House with the existing retail properties owned by the Group in Hopewell Centre and QRE Plaza through better coordinated marketing efforts for the new dining and entertainment concept, "The East", being promoted by the Group. The Board also believes that successful branding of this concept could bring more patrons to shops located in the retail properties of the Group in that area, and be expected to increase the rental yield for such properties.

The Directors (including the independent non-executive Directors) believe that the terms of the Acquisition are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Sir Gordon Ying Sheung Wu and Lady Ivy Sau Ping Kwok Wu are both directors and substantial shareholders of the Company, and Chi Chung and Galette are, directly and indirectly respectively, wholly-owned by Sir Gordon Ying Sheung Wu and Lady Ivy Sau Ping Kwok Wu. Therefore, Chi Chung and Galette are connected persons of the Company and accordingly, the Acquisition constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratio in respect of the Acquisition is more than 0.1% but are all less than 2.5%, the Acquisition is subject to the reporting and announcement requirements, but exempt from the requirement of independent shareholders' approval, under Chapter 14A of the Listing Rules.

GENERAL

The principal business activities of the Group are the development, investment and operation of properties and hotels and infrastructure projects in Hong Kong and other parts of the People's Republic of China.

DEFINITIONS

“Acquisition”	means the acquisition of the Sale Shares by Procelain from Galette pursuant to the Acquisition Agreement
“Acquisition Agreement”	means the agreement for the sale and purchase of the Sale Shares dated 30 July 2008 entered into between Procelain, Hopewell Properties, Galette and Chi Chung
“Board”	means the board of directors of the Company
“Chi Chung”	means Chi Chung Company, Limited, a company incorporated in Hong Kong
“Company”	means Hopewell Holdings Limited, a company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	means completion of the Acquisition pursuant to the Acquisition Agreement
“Director(s)”	means the director(s) of the Company
“FY2007”	means the financial year ended 30 June 2007
“FY2008”	means the financial year ended 30 June 2008
“Galette”	means Galette Company Limited, a company incorporated in Liberia
“Group”	means the Company and its subsidiaries
“Hopewell Properties”	means Hopewell Properties (B.V.I.) Limited, a company incorporated in the British Virgin Islands
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Mingway”	means Mingway Company, Limited, a company incorporated in Hong Kong
“Procelain”	means Procelain Properties Ltd., a company incorporated in the British Virgin Islands
“Properties”	means Commercial Units G03 and G04 on the Ground Floor, and Commercial Units 201 and 202 and the restaurant on the Second Floor, Wu Chung House, No. 213 Queen’s Road East, Hong Kong
“Sale Shares”	means 10,000 shares of HK\$100 each in the capital of Mingway

“Stock Exchange” means The Stock Exchange of Hong Kong Limited

By Order of the Board
Hopewell Holdings Limited
Peter Yip Wah LEE
Company Secretary

Hong Kong, 30 July 2008

As at the date of this announcement, the Board comprises ten executive Directors namely, Sir Gordon Ying Sheung WU (Chairman), Mr. Eddie Ping Chang HO (Vice Chairman and Managing Director), Mr. Thomas Jefferson WU (Co-Managing Director), Mr. Josiah Chin Lai KWOK (Deputy Managing Director), Mr. Robert Van Jin NIEN, Mr. Albert Kam Yin YEUNG, Mr. David Yau-gay LUI, Mr. Eddie Wing Chuen HO Junior, Mr. Barry Chung Tat MOK and Mr. William Wing Lam WONG, three non-executive Directors namely, Mr. Henry Hin Moh LEE, Lady Ivy Sau Ping KWOK WU, and Mr. Carmelo Ka Sze LEE and three independent non-executive Directors namely, Mr. Guy Man Guy WU, Ms. Linda Lai Chuen LOKE and Mr. Lee Yick NAM.