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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>

INSIDE INFORMATION COMMENCEMENT OF NEW PRINCIPAL BUSINESS ACTIVITY

The announcement is made by Hopson Development Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

COMMENCEMENT OF NEW PRINCIPAL BUSINESS ACTIVITY

In December 2016, the Board of the Company approved the expansion into the equity investment business as a new business. Since 2018, the Group has developed such investment business and established a corresponding management system by adhering to the principle of prudent, orderly and steady advancement, recording a net profit for the equity investment business for both 2018 and 2019. At the beginning of 2020, the Board of the Company considered that all conditions for treating the equity investment business as a principal ordinary business had been fulfilled, and decided to drive the business forward during the year by officially including the equity investment business as one of the Group’s principal business activities.

Equity investment business (including private equity investment in the primary market and listed equity investment in the secondary market), in particular equity investments in high-and-new technology and medical science and technology, represents an important component of the Group’s future strategy. The Board of the Company believes that high-and-new technology will become the most important driving force behind the future development of the world and China, and the Group should and must embrace it to ensure its long-term development. In addition, in accordance with the Group’s current development trend and based on the Group’s existing high-quality land reserve resources and excellent commercial real estate performance, it is expected that the Company’s cash reserves will continue to increase for some time in the future. As such, efficient liquidity management tools are essential to maintain and increase the Company’s asset value. Investment in listed equity in the highly liquid secondary market can be one such liquidity management tools. In particular, certain high-quality blue chip stocks have

good cash dividends and are readily realisable at any time. Meanwhile, as the Group makes investment allocations with a view to holding investments for medium to long term, it will be able to alleviate the uncertainty brought about by short-term market volatility. By way of these investments, the Group can obtain higher capital returns and stable cash flow for its cash surplus in a low-interest-rate environment, thereby further enhancing the shareholder value.

Based on the preliminary assessment of information currently available to the Company, including the unaudited management accounts of the Group and the current market price of the portfolio of listed securities held by the Group, the total unrealised gains of the Group's investment in listed securities for the six months ended 30 June 2020 have exceeded HK\$2 billion. The above equity investment will be classified as "financial assets at fair value through profit or loss" in the Company's financial statements.

The future investment direction of the Group will follow the principle of steady advancement with a focus on high-tech investment in the Group's equity investment business, thereby incubating and cultivating the high-tech investment business segment for the Group, and facilitating the Group's gradual transformation from a real estate developer and commercial real estate operator to a technology-enabled and industry-driven comprehensive investment holding platform company.

DEFINITIONS

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

"Board"	the board of Directors
"Company"	Hopson Development Holdings Limited, a company incorporated in Bermuda and whose shares are listed on the Stock Exchange
"Director"	a director 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

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

Hong Kong, 30 June 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*