THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Hopson Development Holdings Limited (the "Company"), you should at once hand this circular to the purchaser(s) or transferee(s) or to the stockbroker, registered dealer in securities or other agent through whom the sale was effected for transmission to the purchaser(s) or the transferee(s).

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

MAJOR TRANSACTION
DISPOSAL OF SHARES OF BBMG

* *For identification purposes only*

25 June 2012

CONTENTS

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

"Announcements"	the announcement of the Company dated 10 April 2012 relating to the disposal of the First Batch Sold Shares; the announcement of the Company dated 18 April 2012 relating to the disposal of the Second Batch Sold Shares, the announcement of the Company dated 23 April 2012 relating to the disposal of the Third Batch Sold Shares; the announcement of the Company dated 3 May 2012 relating to the disposal of the Fourth Batch Sold Shares and the Major Transaction Announcement
"A Share Listing"	listing of the BBMG A Shares on the "A share" market of the Shanghai Stock Exchange
"BBMG"	北京金隅股份有限公司 (BBMG Corporation*), a joint stock company established under the laws of the PRC with limited liability
"BBMG A Share(s)"	ordinary share(s) with nominal value of RMB1.00 each of BBMG which are listed on the "A" share market of the Shanghai Stock Exchange
"BBMG H Share(s)"	ordinary share(s) with nominal value of RMB1.00 each of BBMG which are listed on the Main Board of the Hong Kong Stock Exchange
"Board"	board of Directors
"Company"	Hopson Development Holdings Limited
"Director(s)"	director(s) of the Company
"Disposals"	the on-market disposal of a total number of 11,760,000 BBMG A Shares by Hopeson Holdings on 28 May 2012
"Disposed BBMG Shares"	the First Batch Sold Shares, the Second Batch Sold Shares, the Third Batch Sold Shares, the Fourth Batch Sold Shares and the Sale Shares
"First Batch Sold Shares"	40,930,000 BBMG A Shares disposed of by the Group during the period commencing from 2 March 2012 up to and including 10 April 2012, details of which are disclosed in the announcement of the Company dated 10 April 2012

* *For identification purposes only*

"Fourth Batch Sold Shares"	48,430,000 BBMG A Shares disposed of by the Group during the period commencing from 24 April 2012 up to and including 3 May 2012, details of which are disclosed in the announcement of the Company dated 3 May 2012
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hopeson Holdings"	Hopeson Holdings Limited, a wholly owned subsidiary of the Company which is incorporated in Hong Kong
"Hopson Education Funds"	Hopson Education Charitable Funds Limited
"Latest Practicable Date"	18 June 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Lock-up Restriction"	the restriction from transfer for a period of one year from the commencement date of the A Share Listing
"Major Disposal"	the Group's further disposal of BBMG A Shares subsequent to the disposal of the Fourth Batch Sold Shares, the applicable percentage ratios of which, as aggregated with the disposal of the First Batch Sold Shares, the Second Batch Sold Shares, the Third Batch Sold Shares and the Fourth Batch Sold Shares in accordance with Rule 14.22 of the Listing Rules, reach 25% but are less than 75%
"Major Transaction Announcement"	announcement of the Company dated 28 May 2012 relating to the disposal of the Sale Shares
"Mr. Chu"	Mr. Chu Mang Yee, the Chairman of the Board
"PRC"	the People's Republic of China
"RMB"	Renminbi
"Sale Shares"	11,760,000 BBMG A Shares, being the shares of BBMG that the Group disposed of under the Disposals

"Second Batch Sold Shares"	44,600,000 BBMG A Shares disposed of by the Group during the period commencing from 11 April 2012 up to and including 18 April 2012, details of which are disclosed in the announcement of the Company dated 18 April 2012
"SFO"	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Shareholders"	Holders of Shares
"Shares"	ordinary shares with nominal value of HK$0.1 each of the Company
"Sounda"	Sounda Properties Limited
"Third Batch Sold Shares"	50,860,000 BBMG A Shares disposed of by the Group during the period commencing from 19 April 2012 up to and including 23 April 2012, details of which are disclosed in the announcement of the Company dated 23 April 2012

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HOPSON DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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website: http://www.irasia.com/listco/hk/hopson

Executive Directors:
CHU Mang Yee *(Chairman)*
ZHANG Yi *(Deputy Chairman, Chief Financial Officer)*
XIANG Bin *(Deputy Chairman)*
AU Wai Kin
LIAO Ruo Qing *(Vice President)*
CHU Kut Yung *(Executive Vice President)*

Independent Non-Executive Directors:
LEE Tsung Hei, David
WONG Shing Kay, Oliver
TAN Leng Cheng, Aaron

Principal Office:
Suites 3305–3309
33rd Floor
Jardine House
1 Connaught Place
Central
Hong Kong

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

25 June 2012

To the Shareholders

Dear Sir and Madam,

INTRODUCTION

Reference is made to the Announcements relating to the Group's disposal of BBMG A Shares. The Group's disposal of each of the First Batch Sold Shares, the Second Batch Sold Shares, the Third Batch Sold Shares and the Forth Batch Sold Shares constitutes a discloseable transaction of the Company under the Listing Rules. During the period from 7 May 2012 up to 28 May 2012 (both dates inclusive), the Group, through Hopeson Holdings, further disposed of the 11,760,000 BBMG A Shares. The Disposals, as aggregated with the disposal of the First Batch Sold Shares, the Second Batch Sold Shares, the Third Batch Sold Shares and the Fourth Batch Sold Shares in accordance with Rule 14.22 of the Listing Rules, constitute a major transaction of the Company.

The purpose of this circular is to provide you with information relating to the Disposals together with the financial and other information of the Group.

* *For identification purposes only*

THE DISPOSALS

Immediately after the disposal of the Fourth Batch Sold Shares on 3 May 2012, the Group held 20,560,000 BBMG A Shares. As further disposal of the remaining BBMG A Shares held by the Group, as aggregated with the disposal of the First Batch Sold Shares, the Second Batch Sold Shares, the Third Batch Sold Shares and the Fourth Batch Sold Shares in accordance with Rule 14.22 of the Listing Rules, may constitute a major transaction of the Company which is subject to the shareholders' approval requirement under Rule 14.40 of the Listing Rules, the Company obtained the written approval from Sounda and Hopson Education Funds of the Major Disposal in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules on 4 May 2012.

Mr. Chu is the beneficial owner of the entire issued share capital of each of Sounda and Hopson Education Funds. As at the Latest Practicable Date, Sounda (a Shareholder holding 1,032,363,809 Shares) and Hopson Education Funds (a Shareholder holding 68,640,000 Shares) held an aggregate of 1,101,003,809 Shares, representing an aggregate of approximately 63.42% of the issued share capital of the Company. As the Disposals were effected in the open market through the Shanghai Stock Exchange and the identities of the purchasers of the BBMG A Shares under the Disposals could not be identified, no Shareholder would have been required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposals. On the basis set out above, the conditions under Rule 14.44 of the Listing Rules were met. Accordingly, the written approval from Sounda and Hopson Education Funds of the Major Disposal were accepted in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules.

During the period from 7 May 2012 up to 28 May 2012 (both dates inclusive), the Group, through Hopeson Holdings, further disposed of the 11,760,000 BBMG A Shares (representing approximately 0.27% of an aggregate of 3,114,354,625 BBMG A Shares and 1,169,382,435 BBMG H Shares in issue as of 30 April 2012 as shown on the website of the Hong Kong Stock Exchange) for a total consideration of RMB97,261,782 (approximately HK$120.0 million), exclusive of transaction costs, on the "A share" market of the Shanghai Stock Exchange at an average selling price of approximately RMB8.27 per Sale Share. The total consideration of HK$120.0 million (exclusive of transaction costs) represented the then prevailing market prices of the Sale Shares. As the Sale Shares were disposed of through the Shanghai Stock Exchange, the consideration for the Sale Shares have been settled in accordance with the relevant standard market practice.

As the Sale Shares were disposed of in the open market through the Shanghai Stock Exchange, the Company is not aware of the identities of the purchasers of the Sale Shares and accordingly, to the best of the knowledge of the Directors having made all reasonable enquiries, the purchasers of the Sale Shares are third parties independent of and not connected with the Company or its connected persons.

Hopeson Holdings was one of the promoters in the establishment of BBMG in 2005. BBMG and its subsidiaries are principally engaged in the manufacture and sale of cement and modern building materials, property development, property investment, and provision of property management services. The BBMG H Shares became listed on the Main Board of the Hong Kong Stock Exchange in July 2009 and the BBMG A Shares became listed on the "A share" market of the Shanghai Stock Exchange in December 2011. Hopeson Holdings acquired certain domestic shares of BBMG at the time of the establishment of BBMG. The domestic shares of BBMG held by Hopeson Holdings were subsequently converted into BBMG A Shares immediately before the commencement of the A Share Listing. Hopeson Holdings held a total of 205,380,000 BBMG A Shares immediately after the A Share Listing. These shares are subject to the Lock-up Restriction which expired on 1 March 2012.

Since 2 March 2012 up to 28 May 2012, the Group has disposed of an aggregate of 196,580,000 BBMG A Shares at an aggregate consideration of RMB1,668,476,993 (approximately HK$2,058.1 million), exclusive of transaction cost, details of such disposals are disclosed in the Announcements. The Group held 8,800,000 BBMG A Shares immediately after the Disposals.

Subsequent to the publication of the Major Transaction Announcement on 28 May 2012 up to the Latest Practicable Date, the Group further disposed of 2,460,000 BBMG A Shares at a total consideration of RMB21,220,311 (approximately HK$26.2 million), exclusive of transaction cost. Such further disposal did not constitute any notifiable transaction of the Company under the Listing Rules.

All the Disposed BBMG Shares held by the Group were classified as available-for-sale financial assets of the Group in its financial statements. In each of the two years ended 31 December 2011, the Group had received dividend of approximately RMB739,000 and approximately RMB819,000 respectively in respect of the Sale Shares and dividend of approximately RMB12,354,000 and approximately RMB13,683,000 respectively in respect of the Disposed BBMG Shares.

FINANCIAL EFFECT ON THE GROUP

The fair value of the Sale Shares and the Disposed BBMG Shares as at 31 December 2011 as recorded in the audited financial statements for the financial year ended 31 December 2011 of the Company amounted to HK$121,995,000 and HK$2,039,272,000 respectively. It is expected that the Group will record a gain before taxation of approximately HK$98,784,000 as a result of the Disposals, and a gain before taxation of HK$1,703,874,000 as a result of the disposal of the Disposed BBMG Shares, based on the initial investment cost in 2005. Save for the gain on disposal mentioned above and the taxation liabilities of the Group arising from the disposal of the Disposed BBMG Shares, the disposal of the Disposed BBMG Shares does not have any material effect on the earnings, assets and liabilities of the Group.

REASONS FOR THE DISPOSALS

The Group is principally engaged in property development and property investment in various cities in the PRC including Guangzhou, Beijing, Shanghai and Tianjin. The Group disposed of the Disposed BBMG Shares (including the Sale Shares) for the purpose of realisation of capital gain efficiently. It is expected that the net proceeds of the disposal of the Disposed BBMG Shares (including the Sale Shares) available to the Group will be utilised for repayment of loans (including but not limited to the outstanding senior notes of the Company) and replenishment of working capital.

Given the Disposals were made in the open market of the Shanghai Stock Exchange, the Directors consider the Sale Shares were sold at the then prevailing market prices and the terms of the Disposals are normal commercial terms and are fair and reasonable. The Directors also consider that the Disposals are in the interests of the Company and its Shareholders as a whole.

FINANCIAL INFORMATION OF BBMG

Based on the annual report of BBMG for the year ended 31 December 2011 available from the website of the Hong Kong Stock Exchange, the consolidated net profits before and after tax of BBMG for the two years ended 31 December 2011 (prepared in accordance with the Hong Kong Financial Reporting Standards) are set out below:

	For the year ended 31 December 2010	**For the year ended 31 December 2011**
	RMB'000	*RMB'000*
	(Restated)	
Profit before tax	4,256,060 (approximately HK$5,249,850,000)	5,119,845 (approximately HK$6,315,329,000)
Profit after tax	2,990,750 (approximately HK$3,689,090,000)	3,593,126 (approximately HK$4,432,121,000)

Based on the annual report of BBMG for the year ended 31 December 2011 available from the website of the Hong Kong Stock Exchange, the total asset value of BBMG as at 31 December 2011 amounted to RMB76,756,993,000 (approximately HK$94,679,751,000).

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios for the Disposals (as aggregated with the disposal of the First Batch Sold Shares, the Second Batch Sold Shares, the Third Batch Sold Shares and the Fourth Batch Sold Shares in accordance with Rule 14.22 of the Listing Rules, exceed 25% but are less than 75%, the Disposals constitute a major transaction for the Company under the Listing Rules. As the Company had obtained a written approval from Sounda and Hopson Education Funds of the Major Disposal in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules prior to proceeding with the Disposals, no general meeting of the Company was required to be convened to approve the Disposals. Having considered the manner in which the Disposals were effected, the reasons for the Disposals and their financial effect on the Group, the Directors are of the opinion that the Disposals were effected on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and would recommend the Shareholders to vote in favour of the resolution to approve the Disposals if a general meeting were to be held for such purpose.

GENERAL INFORMATION

Your attention is drawn to the financial information set out in appendices to this circular.

By Order of the Board
Hopson Development Holdings Limited
Chu Mang Yee
Chairman

FINANCIAL AND TRADING PROSPECTS

Business review

The real estate industry in the PRC experienced the most stringent control in history in 2011. In the year ended 31 December 2011, the Group recorded turnover of HK$8,008 million, representing a decrease of approximately 44% as compared to that of 2010, and net profits HK$1,430 million, representing a decrease of 56% as compared to that of 2010, under the tightening market conditions.

Being restricted by the tightening austerity measures in the first-and the second-tier cities, the market reversed quickly. Thanks to the strategic transformation and the timely adjustment on operational corporate strategies, the Group achieved a more balanced business plan with geographically diversified distribution and a more reasonable product portfolio in 2011. The Group shifted its business plan for development of the second-tier and third-tier cities and newly developed region. The product mix was optimized to increase the proportion of the small to medium sized properties to satisfy the regular demand in the market progressively and to enlarge the business of investment properties in a moderate manner. The Group's strategy to optimize income structure and balance various sources of income was successful. Income from property development amounted to HK$7,170 million, income from property management amounted to HK$490 million, income from property investment and income from hotel operation amounted to HK$148 million and HK$200 million respectively. Also, the Group's focus in the three Core Economic Zones and the strategy of balanced distribution brought revenue of HK$2,761 million, HK$1,964 million and HK$3,283 million to the Group attributable to southern China, eastern China and northern China respectively in 2011.

It is expected that all of the adjustments in the operation as stated in the above will enable the Group to properly confront the threats and challenges arising from the market with austerity measures and it will be able to lay a solid foundation for the future development of the Group. A satisfactory average contracted selling price and a substantial amount of unrecognized contracted sales were recorded in 2011. It is expected that the rising contracted selling price and the gradual recognition of deferred revenue will bring the Group improved results, which will be reflected in the upcoming financial reports.

Financial and trading prospects

In 2012, it is expected that the policy of austerity will not be shifted or loosened in terms of its direction and intensity. The Group will continue to confront the internal and external challenges proactively. The projected completion area in 2012 is 1.57 million sq.m. and it is expected that the turnover of the Group in 2012 will increase substantially on the basis of the foundation built up in 2011.

In 2012, the Group will continue to uphold a prudent attitude as the principle of the overall financial operation. Simultaneously, the Group will strengthen its effort to centralize the coordination and management of its financial processes, optimize its internal management structure, achieve a high efficiency in resources allocation and usage, and strengthen the control on operational and financial risks. Given the tough situation caused by the implementation of the austerity measures, the Group will upgrade its standard of asset management and optimize the mode of sales operation. The Groups aims at increasing the asset turnover rate and enhancement of the input-output efficiency.

For the future development, the Group will devote wholeheartedly in integrating and optimizing the product mix. While the Group is optimizing and integrating its product mix, it will continue to improve its product's quality. Through optimizing and refining the management system as well as ensuring the quality of construction and the strict standard of project acceptance, the Group will strive for providing properties with higher quality to the market and customers, and sustain its leading position among the peers.

Given the conditions of the increasingly intense competition on the market, the Group fully understand that enhancing the product's added value is the only way to stand out from the competition. In the future, the Group will continue to put its efforts on strengthening the brand building so that the corporate culture and the core values of the brand can merge perfectly. The Group will infuse this ideal perfection into every single project which is invested and developed by the Group.

In the future, the Group will continue to consolidate the revenue from property developments, property investments as well as equity investments. At the same time, the Group will achieve a balanced development of the above three major sources of revenue, in order that the Group can operate steadily in the long run and achieve a reasonable, stable and healthy growth in terms of revenue.

The market and the industry are adjusting in volatile conditions, therefore, the Group will pay close attention, with prudence and composure, to the market changes. The Group is actively exploring quality land resources which match with the plan of the Group's strategic development. It is expected that the Group will keep the flexibility in land acquisition and consolidate the revenue generated from the major first-tier cities and to continue to optimize the investment plan in second-and third-tier cities in order to satisfy the needs of development for the upcoming three to five years.

INDEBTEDNESS STATEMENT

Borrowings

As at close of business on 30 April 2012, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had the following borrowings:

	HK$'000
Senior notes — secured *(Note (a))*	5,005,000
Bank borrowings — secured *(Note (b))*	28,977,000
Amount due to an associate — unsecured *(Note (c))*	7,000
Amounts due to related companies — unsecured *(Note (c))*	82,000
Amount due to a jointly controlled entity — unsecured *(Note (c))*	1,568,000
	35,639,000

Notes:

(a) The senior notes are jointly and severally guaranteed by certain subsidiaries and secured by the capital stock of the subsidiaries.

(b) The bank borrowings were secured by certain land costs, hotel properties, properties under development for sale, completed properties for sale, investment properties, available-for sale financial assets, equity interests in a subsidiary and bank deposit held by the Group.

(c) The outstanding balances with an associate, related companies and a jointly controlled entity were unsecured, non-interest bearing and without pre-determined repayment terms.

As at close of business on 30 April 2012, financial guarantees not provided for in the financial statements are as follows:

	HK$'000
Guarantees given to banks for mortgage facilities granted to certain buyers of the Group's properties	10,184,000
Guarantees given to bank for bank borrowings of a jointly controlled entity	879,000
	11,063,000

Contingent liabilities

Litigation or claims of material importance pending or threatened against the Group as at 30 April 2012 as known to the Directors are set out under the paragraph headed "Litigation" in Appendix II to this circular.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, none of the companies in the Group had outstanding at the close of business on 30 April 2012 any debt or loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

Taking into account the financial resources available to the Group, including the estimated net sales proceeds from sale of properties and investments and the available bank facilities of RMB1,606,000,000 (approximately HK$1,981,000,000), the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Circular, in the absence of unforeseeable circumstances.

The Group has commenced negotiations with certain banks for additional project loan facilities of RMB12,260,000,000 (approximately HK$ 15,123,000,000) for financing property development projects. Based on past experience, the Directors are of the opinion that the aforesaid loan arrangement can be completed as the property projects progress.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, being the date to which the latest published audited financial statements of the Group were made up.

RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company in the shares and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

Long position in the Shares

Name of Director	Number of Shares beneficially held Personal	 Corporate	Approximate percentage of Shares in issue
Mr. Chu	—	1,101,003,809 *(Note 1)*	63.42%
Mr. Au Wai Kin	—	34,500,000 *(Note 2)*	1.99%
Mr. Zhang Yi	90,000	—	0.01%

Notes:

1. Mr. Chu held 1,032,363,809 Shares through Sounda, a company wholly-owned by him, and 68,640,000 Shares through Hopson Education Funds, a company wholly-owned by him. Mr. Chu is a director of Sounda.

2. Mr. Au Wai Kin held 34,500,000 shares of the Company through a company wholly-owned and controlled by him.

Save as disclosed above, none of the Directors, chief executives of the Company and their associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Hong Kong Stock Exchange as at the Latest Practicable Date.

Save as disclosed above, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date.

No contract, commitment or agreement of significance in relation to the Company's business, in which any of the Directors had a material interest, subsisted as at the Latest Practicable Date.

On 11 May 2012, the Group and Mr. Chu entered into the following transactions:

(a) 天津合生珠江房地產開發有限公司 (Tianjin Hopson Zhujiang Real Estate Development Limited), a cooperative joint venture established in the PRC in which the Company has 92.3% equity interest, and Mr. Chu entered into a land use right transfer agreement pursuant to which the Group disposed of a parcel of vacant land located at 中國天津市寶坻區周良莊鎮寶白公路西側610及611地塊 (Numbers 610 and 611, West Side, Baobai Highway, Zhou Liang Town, Baodi District, Tianjin, PRC) with a total site area of approximately 6,558.77 square metres to Mr. Chu at the consideration of RMB2,500,000 (the "Tianjin Agreement") ; and

(b) 廣東華南新城房地產有限公司 (Guangdong Huanan New City Real Estate Limited), a cooperative joint venture established in the PRC in which the Company has 100% equity interest and Mr. Chu entered into a land use right transfer agreement pursuant to which the Group disposed of a parcel of vacant land located at 中國廣東省廣州市番禺區南村鎮員崗村、官堂村 (南村鎮華南新城B2地塊) (Guan Tang Village, Yuan Gang Village, Southern Town, Panyu District, Guangzhou, Guangdong, PRC (Lot Number B2, Huanan New City, Southern Town)) with a total site area of 9,347.98 square metres to Mr. Chu at the consideration of RMB29,258,305 (the "Guangdong Agreement").

Save as disclosed above, none of the Directors had any interest, direct or indirect, in any asset which, since 31 December 2011, the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group as at the Latest Practicable Date.

SERVICE AGREEMENTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with any member of the Group which is not terminable by the employer within one year without payment of compensation (other than statutory compensation).

MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) were entered into by members of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date, which are or may be material:

(a) the cooperation agreement dated 18 August 2010 and entered into between 合生(廣州)實業有限公司 (Hopson (Guangzhou) Industrial Company Limited) ("Hopson GZ"), an indirect wholly-owned subsidiary of the Company, and 廣州紡織工貿集團有限公司 (Guangzhou Textile Industrial and Trading Group Limited) ("GZ Textile") pursuant to which Hopson GZ agreed to acquire 65% interest in and invest in 廣州第一染織廠 (Guangzhou Diyi Dyeing Factory) at the total consideration of RMB3,717,600,000 (the "Cooperation Agreement");

(b) the declaration dated 18 August 2010 binding upon Hopson GZ and GZ Textile made by the Company pursuant to which the Company agreed to guarantee Hopson GZ's due and punctual performance of its obligations under the Cooperation Agreement;

(c) the sale and purchase agreement dated 3 November 2010 (as amended by a supplemental agreement dated 13 December 2010) entered into between the Company and Farrich Investments Limited 遠富投資有限公司 ("Farrich") pursuant to which the Company agreed to acquire from Farrich the entire issued share capital of Sun Excel Investments Limited 日佳投資有限公司 at the consideration of RMB6,605,066,000 to be satisfied partly in cash and partly by way of the issue of consideration shares to Farrich;

(d) the subscription agreement dated as of 20 December 2010 entered into between Beijing Rural Commercial Bank Co., Ltd.* (北京農村商業銀行股份有限公司) (the "Bank") and 中先國際控股有限公司 (Zhongxian International Company Limited) ("Zhongxian International"), an indirect wholly-owned subsidiary of the Company, pursuant to which Zhongxian International agreed to subscribe for 238.35 million ordinary shares of the Bank at the subscription price of RMB238.35 million (subject to adjustment);

(e) the subscription agreement dated as of 20 December 2010 entered into between the Bank and 上海大展投資管理有限公司 (Shanghai Dazhan Investment Management Company Limited), ("Shanghai Dazhan"), an indirect wholly-owned subsidiary of the Company, pursuant to which Shanghai Dazhan agreed to subscribe for 238.35 million ordinary shares of the Bank at the subscription price of RMB238.35 million (subject to adjustment);

(f) the asset purchase agreement dated as of 20 December 2010 entered into among the Bank, Zhongxian International, Shanghai Dazhan and other eight investors in the Bank who are independent of and not connected with the Company and its connected persons pursuant to which Zhongxian International, Shanghai Dazhan and eight other investors (the "Investors") to purchase an undivided share of certain non-performing assets of the Bank at a purchase price, subject to adjustment, equivalent to 200% of the subscription price payable by it for its corresponding share subscription with the Bank;

(g) the trust agreement dated as of 17 December 2010 entered into among China Cinda Asset Management Co., Ltd (中國信達資產管理股份有限公司) (the "Trustee") and the Investors (including Zhongxian International and Shanghai Dazhan) pursuant to which the Investors

* *For identification purposes only*

agreed to appoint the Trustee as their trustee to, among other things, acquire from the Bank the non-performing assets of the Bank, manage and dispose of such assets, and pay the sale proceeds thereof to the Bank by way of gift;

(h) the subscription agreement dated 14 January 2011 entered into among the Company, all wholly owned subsidiaries of the Company incorporated or organised outside the PRC and UBS AG, Hong Kong Branch relating to the issue of US$300 million 11.75% senior notes by the Company listed on the Singapore Exchange Securities Trading Limited;

(i) the framework agreement dated 11 May 2012 entered into between the Company and 廣東韓江建築安裝工程有限公司 (Guangdong Hanjiang Construction Installation Project Limited) relating to the continuing connected transactions of the Company for a term expiring on 31 December 2014;

(j) Tianjin Agreement; and

(k) Guangdong Agreement.

COMPETING BUSINESS

Mr. Lee Tsung Hei, David, an independent non-executive Director, is a director of each of DS Capital Group Co Ltd; DH Capital Ltd; DH Capital (HK) Ltd; DS Transportation Interchange Development Ltd; Guangzhou DHC Investment Advisory Ltd; City Development Management (China) Ltd. and DHC Development Management Co Ltd (collectively, the "DS Capital Group") and the Chairman of the Investment Committee of Cheever Real Estate Master Fund SPC ("Cheever"). The DS Capital Group and Cheever have the property development and property investment businesses.

Save as disclosed above, none of the Directors and his/her respective associates has an interest in a business which competes or may compete, either directly or indirectly, with the Company's business.

LITIGATION

As at the Latest Practicable Date, the Group was involved in one litigation proceedings as defendant, the history and particulars of which are summarized below:

- In December 2004, YTO Group Corporation ("YTO Group") and Guangzhou Laureland Property Co., Ltd. ("Laureland Co"), both independent third parties entered into an agreement, whereby Laureland Co agreed to provide a counter-guarantee by pledging its seven villas as security for repayment in respect of the amount of RMB127,138,320 under the guarantee provided by YTO Group in respect of a bank loan obtained by Henan Jian Ye Company. A balance of RMB93,138,320 was due and payable by Laureland Co to YTO Group. In June 2007, YTO Group, as plaintiff, instituted a proceeding against Laureland Co, as defendant, in the Intermediate People's Court of Luoyang City ("Luoyang Court"), claiming for the payment of the said balance of RMB93,138,320. In July 2007, YTO Group issued "supplementary pleadings" adding Guangzhou Ziyun Village Real Estate Company Limited ("Ziyun Co"), a subsidiary of the Company, a co-defendant and pleading that certain transfer(s) of assets at an undervalue be declared void and that the co-defendant be ordered to repay the said balance.

- In August 2007, the Luoyang Court made an injunction to freeze the sum of RMB11,446,100 in the bank account of Ziyun Co and the land use rights of certain land situated in Nanan Village, Zengcheng Xintang Town, Guangzhou Province. In March 2008, the court released the said land and made an order to freeze the land use rights of certain other land situated in the same location. On the basis of the damage arising from the injunction as aforementioned, Ziyun Co instituted a proceeding in the Luoyang Court against YTO Group and Laureland Co, pleading that the co-defendants be injuncted from infringing the rights of Ziyun Co and seeking compensation for its economic loss of RMB20,000,200.

- In May 2008, the Luoyang Court heard the proceedings in relation to YTO Group's claims and ordered that (i) Laureland Co shall repay the sum of RMB93,138,320 owed to YTO Group, (ii) YTO Group shall have priority in sums recovered by auction or sale of the mortgaged properties and (iii) Ziyun Co shall be liable for sums which Laureland Co may be unable to settle. Ziyun Co appealed against the decision and applied to set aside the judgement.

- In August 2010, the Higher People's Court of Henan Province upheld the decision of the Luoyang Court and ordered that Ziyun Co shall pay the costs of the appeal.

- In June 2011, the bank deposits of Ziyun Co amounting to RMB12 million was temporarily transferred to the Higher People's Court of Henan Province.

- In July 2011, the Supreme People's Court of the PRC accepted the application for retrial and in February 2012, the court hearing in the Higher People's Court of Henan Province was conducted, but judgment has not been handed down.

- Save as disclosed in the above, there had been no further material development up to the Latest Practicable Date.

Save as disclosed above, no member of the Group is engaged in any litigation or arbitration of material importance and no other litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group as at the Latest Practicable Date.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal office in Hong Kong at Suites 3305–3309, 33rd Floor, Jardine House, 1 Connaught Place, Central, Hong Kong from 9:30 a.m. to 5:00 p.m. during the period commencing from 25 June 2012 up to 10 July 2012 (both dates inclusive):

(a) the letter from the Board, the text of which is set out on pages 4 to 7 of this circular;

(b) the memorandum and Bye-laws of the Company;

(c) the annual reports of the Company for the two financial years ended 31 December 2011;

(d) the material contracts referred to in the section headed "Material Contracts" in this appendix;

(e) all circulars issued pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules which have been issued since the date of the latest published audited accounts (i.e. 31 December 2011); and

(f) this circular.

MISCELLANEOUS

(a) The secretary of the Company is Ms. Mok Wai Kun, Barbara, a solicitor practising in Hong Kong.

(b) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business in Hong Kong is at Suites 3305–3309, 33/F, Jardine House, 1 Connaught Place, Central, Hong Kong.

(c) The Hong Kong branch registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited which is situated at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

(d) The English text of this circular will prevail over the Chinese text in the event of inconsistency.