

**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 you should take, you should consult an exchange participant or other securities dealer licensed as a licensed person under the Securities and Futures Ordinance, bank manager, solicitor, certified public accountant or other professional adviser.

**If you have sold or transferred all your shares in Hopson Development Holdings Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, exchange participant or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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>*

**CONTINUING CONNECTED TRANSACTIONS**

**Independent Financial Adviser  
to the Independent Board Committee and the Independent Shareholders**

**Beijing Securities**  
Beijing Securities Limited  
北京證券有限公司

A letter from the Board is set out on pages 4 to 22 of this circular. A letter from the Independent Board Committee is set out on pages 23 to 24 of this circular. A letter from Beijing Securities containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 25 to 56 of this circular.

A notice convening a special general meeting of the Company (the “SGM”) to be held at Gloucester Room, 2/F., Mandarin Oriental, 5 Connaught Road Central, Central, Hong Kong, on Friday, 12 June 2015 at 10:30 a.m. (or so soon after the annual general meeting of the Company to be held on the same day and at the same place at 10:00 a.m. shall have been concluded or adjourned) is set out on pages 61 to 62 of this circular.

A form of proxy for the SGM is enclosed. Whether or not you are able to attend the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the principal office of the Company at Suites 3305–3309, 33rd Floor, Jardine House, 1 Connaught Place, Central, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

\* *for identification purposes only*

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## DEFINITIONS

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

“Annual Caps”	the maximum aggregate annual transaction amount for the Transactions collectively under the 2015 Framework Agreement for each of the three financial years ending 31 December 2017
“Beijing Securities”	Beijing Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Board to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the 2015 Framework Agreement, the Transactions and the Annual Caps
“Board”	board of Directors
“close associate(s)”	the meaning given to that term in the Listing Rules
“Company”	Hopson Development Holdings Limited
“connected person”	the meaning given to that term in the Listing Rules
“Directors”	directors of the Company
“Farrich”	Farrich Investments Limited, a company incorporated in the British Virgin Islands and whose entire issued share capital is owned by Mr. Chu Yat Hong, a son of Mr. Chu and a brother of Ms. Chu. It is a holder of 395,246,625 Shares, representing approximately 17.61% of the issued share capital of the Company, as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“Hanjiang”	廣東韓江建築安裝工程有限公司 (Guangdong Hanjiang Construction Installation Project Limited), a company established in the PRC and is directly held as to 99% by Mr. Chu Yat Hong, a son of Mr. Chu and a brother of Ms. Chu
“Hanjiang Group”	Hanjiang, its subsidiaries, associated companies and close associates
“HK\$”	Hong Kong dollars

## DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hopson Education Funds”	Hopson Education Charitable Funds Limited, an exempt charitable institution and a company limited by guarantee, of which Mr. Chu is the sole member. It is a holder of 68,640,000 Shares, representing approximately 3.06% of the issued share capital of the Company, as at the Latest Practicable Date
“Independent Board Committee”	an independent committee of the Board comprising Messrs. Lee Tsung Hei, David and Tan Leng Cheng, Aaron, all independent non-executive Directors as at the Latest Practicable Date, established to advise the Independent Shareholders in respect of the 2015 Framework Agreement, the Transactions and the Annual Caps
“Independent Third Parties”	persons who are not connected persons of the Company
“Independent Shareholders”	Shareholders who are independent of Hanjiang, Mr. Chu Yat Hong and their respective close associates, Sounda, Hopson Education Funds and Farrich
“Latest Practicable Date”	7 May 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Chu”	Ms. Chu Kut Yung, an executive Director and the daughter of Mr. Chu
“Mr. Chu”	Mr. Chu Mang Yee, the chairman of the Board and an executive Director
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of Shares
“Shares”	shares of HK\$0.10 each in the share capital of the Company

## DEFINITIONS

“SGM”	a special general meeting of the Company to be convened to approve, among other things, the 2015 Framework Agreement, the Transactions and the Annual Caps
“Sounda”	Sounda Properties Limited, a company incorporated in the British Virgin Islands and whose entire issued share capital is owned by Mr. Chu. It is a holder of 1,160,363,809 Shares, representing approximately 51.71% of the issued share capital of the Company, as at the Latest Practicable Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	the meaning given to that term in the Listing Rules
“Transactions”	the Transaction 1 to the Transaction 8 as described in the section headed “2. The Continuing Connected Transactions” in the Letter from the Board of this circular proposed to be entered into between the Group and the Hanjiang Group pursuant to the 2015 Framework Agreement
“2012 Framework Agreement”	the conditional framework agreement dated 11 May 2012 entered into between the Company and Hanjiang in relation to certain recurrent continuing connected transactions which expired on 31 December 2014
“2015 Annual Cap”	the maximum aggregate annual transaction amount for the Transactions collectively under the 2015 Framework Agreement for the financial year ending 31 December 2015
“2015 Framework Agreement”	the conditional framework agreement dated 22 April 2015 and entered into between the Company and Hanjiang in relation to the Transactions

*In this circular, conversion of RMB into HK\$ has been made at the rate of RMB1.00:HK\$1.27. Such conversion rate is included in this circular for indicative purpose only and should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.*



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>*

*Executive Directors:*

CHU Mang Yee (*Chairman*)  
CHU Kut Yung (*Deputy Chairman*)  
AU Wai Kin  
LIAO Ruo Qing  
XIE Bao Xin  
BAO Wenge

*Independent Non-executive Directors:*

LEE Tsung Hei, David  
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

12 May 2015

*To the Shareholders*

Dear Sir or Madam,

**1. INTRODUCTION**

Reference is made to the announcement of the Company dated 22 April 2015 relating to, among other things, the 2015 Framework Agreement and the Transactions contemplated thereunder which constituted continuing connected transactions of the Company under the Listing Rules.

The 2012 Framework Agreement expired on 31 December 2014. Since the Group expects to continue certain recurring transactions contemplated under the 2012 Framework Agreement and to enter into certain new recurring transactions with the Hanjiang Group in the three financial years ending 31 December 2017, the Company entered into the 2015 Framework Agreement with Hanjiang to govern the Transactions on 22 April 2015.

\* for identification purposes only

## LETTER FROM THE BOARD

As at the Latest Practicable Date, Hanjiang is directly held as to 99% by Mr. Chu Yat Hong who is a son of Mr. Chu and a brother of Ms. Chu. Mr. Chu Yat Hong also indirectly owns approximately 17.61% of the shares of the Company. Accordingly, Hanjiang is a connected person of the Company under the Listing Rules and the Transactions constitute continuing connected transactions under the Listing Rules.

As certain applicable percentage ratios (other than the profits ratio) of the 2015 Annual Cap exceed 5%, the 2015 Framework Agreement and the Transactions constitute non-exempt continuing connected transactions of the Company and the 2015 Framework Agreement, the Transactions and the Annual Caps are subject to reporting, announcement, circular, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Accordingly, the Company proposes to seek the Independent Shareholders' approval of the 2015 Framework Agreement, the Transactions and the Annual Caps at the SGM. Each of Sounda, Hopson Education Funds and Farrich will abstain from voting at the SGM and votes of the Independent Shareholders at the SGM will be taken by poll. Such Shareholders collectively had 1,624,250,434 Shares, representing approximately 72.38% of the issued share capital of the Company, as at the Latest Practicable Date.

The Independent Board Committee has been formed to advise the Independent Shareholders and Beijing Securities has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2015 Framework Agreement, the Transactions and the Annual Caps.

The purpose of this circular is to provide you with information on the 2015 Framework Agreement, the Transactions and the Annual Caps, the letter from the Independent Board Committee, the letter of advice from Beijing Securities and the notice to convene the SGM.

## 2. THE CONTINUING CONNECTED TRANSACTIONS

### A. Services to be provided/premises to be leased by the Hanjiang Group to the Group pursuant to the 2015 Framework Agreement:

#### *Construction:*

The appointment of the Hanjiang Group by the Group to carry out construction work for the Group's property development projects ("**Transaction 1**").

#### *Construction supervision:*

The appointment of the Hanjiang Group by the Group to supervise the construction of the Group's property development projects ("**Transaction 2**").

## LETTER FROM THE BOARD

*Electricity installation, low voltage system and intelligent building system installation and consultancy service on budgeting and cost control for construction work:*

The appointment of the Hanjiang Group by the Group to carry out electricity installation and low voltage system and intelligent building system installation for the Group's property development projects and to provide the Group with consultancy service on budgeting for tenders and cost control for its construction work ("**Transaction 3**").

*Office lease:*

The lease of commercial premises in Guangzhou and Shanghai by the Hanjiang Group to the Group ("**Transaction 4**").

*Informatization and computerization related services:*

The appointment of the Hanjiang Group by the Group to set up the information technology infrastructure and maintain the servers of the Group, to supply information and computer system related products and facilities to the Group and to provide the Group with consultancy service, staff training and technical support for the information technology and computer systems of the Group ("**Transaction 5**").

### **B. Services to be provided/premises to be leased by the Group to the Hanjiang Group pursuant to the 2015 Framework Agreement:**

*Building design:*

The appointment of the Group by the Hanjiang Group to carry out construction and building design works for the property development projects of the Hanjiang Group ("**Transaction 6**").

*Management of vacant properties and delivery of sold property units to purchasers:*

The appointment of the Group by the Hanjiang Group to manage vacant properties developed by the Hanjiang Group and to handle the delivery of sold property units of the Hanjiang Group in Guangdong Province, Beijing, Xi'an and Shanghai to purchasers ("**Transaction 7**").

*Shop and office lease:*

The lease of shop and office premises in Guangzhou by the Group to the Hanjiang Group ("**Transaction 8**").



## LETTER FROM THE BOARD

### 3. PRINCIPAL TERMS OF THE 2015 FRAMEWORK AGREEMENT

On 22 April 2015, the Company and Hanjiang entered into the 2015 Framework Agreement, which set out, among other things, the principal terms of the Transactions as follows:

- Date: 22 April 2015
- Parties:
1. the Company
  2. Hanjiang
- Scope of services:
1. Hanjiang shall procure the relevant member(s) of the Hanjiang Group or their respective sub-contractors to perform the services set out in paragraph A of the section headed “2. The Continuing Connected Transactions” in the Letter from the Board of this circular and shall procure the relevant member(s) of the Hanjiang Group to lease certain office premises to the Group.
  2. The Company shall procure the relevant member(s) of the Group or their respective sub-contractors to perform the services set out in paragraph B of the section headed “2. The Continuing Connected Transactions” in the Letter from the Board of this circular and shall procure the relevant member(s) of the Group to lease certain shop and office premises to the Hanjiang Group.
- Term: For a term commencing from the date when it becomes unconditional and ending on 31 December 2017.
- Condition precedent: The 2015 Framework Agreement is conditional upon the Company having obtained the approval of the Independent Shareholders at the SGM.

## LETTER FROM THE BOARD

Specific terms for the Transactions:

The Group and the Hanjiang Group will procure their respective members to enter into a separate sales contract or agreement for each of the engagements/orders/leases in respect of each of the Transactions. The sales contracts or agreements will contain specific terms of the engagements/orders/leases which are consistent with the terms and principles set forth in the 2015 Framework Agreement. In general, the terms of the engagements/orders/leases in respect of the Transactions must be fair and reasonable so far as the Group is concerned and each individual sales contract or agreement that the Group and the Hanjiang Group will enter into must pass through the Group's internal approval procedures to ensure that each of such engagements/orders/leases will be of normal commercial terms offered by Independent Third Parties or better so far as the Group is concerned.

#### 4. DETAILS OF THE TRANSACTIONS

Set out below are particulars of the Transactions and the relevant pricing bases set out in the 2015 Framework Agreement:

##### **Transaction 1 — Construction**

Scope:

The Group agrees to appoint the Hanjiang Group to carry out construction work for the Group's property development projects.

Bases for determining price and other terms:

The construction fees payable by the Group to the Hanjiang Group and the other terms for carrying out construction work of the property development projects of the Group in the PRC will be determined with reference to the terms offered by Independent Third Parties for providing similar services and the latest stipulated standards and guidelines prescribed by 建設委員會 (Construction Committee) of where the project is located, such as 北京市建設工程計價依據—預算定額 (Costing Basis of Construction and Installation Works, Beijing Municipal — Base Price Budgeting) published by 北京市建設委員會 (Construction Committee of Beijing Municipal) in 2012 for property projects in Beijing, 廣東省建設工程計價依據(2010年) (Costing Basis of Construction and Installation Works, Guangdong Province (2010)) published by 廣東省建設廳 (Construction Department of Guangdong Province) in 2010 for property projects in Guangzhou.

## LETTER FROM THE BOARD

### **Transaction 2 — Construction supervision**

Scope: The Group agrees to appoint the Hanjiang Group to supervise the construction of the Group's property development projects.

Bases for determining price and other terms: The fees payable by the Group to the Hanjiang Group and the other terms for supervising the construction of property development projects of the Group will be determined with reference to the terms offered by Independent Third Parties for providing similar services and the latest standards and guidelines prescribed in the PRC, such as 建設工程監理與相關服務收費標準 (Construction Project Supervision and Related Services Fees Standard) published by 發展和改革委員會 (Development and Reform Commission) and 建設部 (Ministry of Construction) in 2007.

### **Transaction 3 — Electricity installation, low voltage system and intelligent building system installation and consultancy service on budgeting and cost control for construction work**

Scope: The Group agrees to appoint the Hanjiang Group to carry out electricity installation, low voltage system and intelligent building system installation work for the Group's property development projects and to provide the Group with consultancy service on budgeting for tenders and cost control for its construction work.

Low voltage system and intelligent building system installation works include installation of visual walkie-talkie system, CCTV system, music broadcast system, security system, car park automatic management system, telephone system, mobile signal coverage system, television antenna system and procurement and installation of the related facilities.

Consultancy service on budgeting for tenders and construction cost control include evaluation and formulation of the base price for projects that the Group proposes to put up for public tender, preparation for the Group's tender invitations and assistance in the evaluation of the bidders, formulation of the budgets and formulation of cost control plans for the Group's property development projects.

## LETTER FROM THE BOARD

Bases for determining price and other terms:

The fees payable by the Group to the Hanjiang Group and the other terms for carrying out electricity installation works for the property development projects of the Group will be determined with reference to the terms offered by Independent Third Parties for providing similar services and the latest standards and guidelines prescribed by the relevant governmental authorities of where the project is located, such as 廣東省建設工程計價依據 (2010年) (Costing Basis of Construction and Installation Works, Guangdong Province (2010)) published by 廣東省建設廳 (Construction Department of Guangdong Province) in 2010.

The fees payable by the Group to the Hanjiang Group and the other terms for carrying out low voltage system and intelligent building system installation works for the property development projects of the Group in the PRC will be determined with reference to the terms offered by Independent Third Parties for providing similar services and the latest standards and guidelines prescribed by the relevant governmental authorities of where the project is located, such as 北京市建設工程計價依據 — 預算定額 (Costing Basis of Construction and Installation Works, Beijing Municipal — Base Price Budgeting) and 通信建設工程預算定額 (2008年) (Basis for fee Calculation for Communication Construction Project (2008)) published by 北京市建設委員會 (Construction Committee of Beijing Municipal) in 2012 and 2008, respectively, for projects in Beijing, and 廣東省建設工程計價依據 (2010年) (Costing Basis of Construction and Installation Works, Guangdong Province (2010) and 廣州地區建設工程常用材料綜合價格 (2014年) (Comprehensive Pricing for Commonly Used Materials for Construction Projects in Guangzhou (2014)) published by 廣東省建設廳 (Construction Department of Guangdong Province) in 2010 and 2014, respectively, for projects in Guangdong Province.

For procurement of equipment for the low voltage system and intelligent building system, a mark-up of 1%–3% on the price of the equipment procured will be charged.

## LETTER FROM THE BOARD

The fees payable by the Group to the Hanjiang Group for the consultancy fee and the other terms for compiling budgets for tenders and construction cost control will be determined with reference to the latest standards and guidelines prescribed by the relevant governmental authorities of where the project is located, such as 招標代理服務收費標準 (Standard Fees for Tender Agencies) issued by the 北京市發展和改革委員會 (Beijing Municipal Commission of Development and Reform) in 2002 in respect of the provision of services to assist in the tender process and 工程造價諮詢服務收費管理暫行辦法 (Provisional Administrative Measures on Consultation Fees for Construction Budgeting) issued by 住房和城鄉建設部 (Ministry of Housing and Urban-rural Development) in 2007 in respect of the provision of budgeting services.

### **Transaction 4 — Office lease**

Scope: The Hanjiang Group agrees to lease certain commercial premises in Guangzhou and Shanghai to the Group for office use.

Bases for determining rental and other terms: The rent payable by the Group to the Hanjiang Group and the other terms will be determined with reference to the prevailing market rents and the other terms available to the Group for leasing the premises in the same building (or in the event that no such lease is available in the same building, reference should be made to the leases of premises of similar types and similar grading in the same region) from Independent Third Parties.

### **Transaction 5 — Informatization and computerization related services**

Scope: The Group agrees to appoint the Hanjiang Group to set up the information technology infrastructure and maintain the servers of the Group, to supply information and computer system related products and facilities to the Group and to provide the Group with consultancy service, staff training and technical support for the information technology and computer systems of the Group.

## LETTER FROM THE BOARD

Bases for determining price and other terms: The fees payable by the Group to the Hanjiang Group for the set up of the informatization infrastructure and maintenance of servers of the Group and provision of consultancy service, staff training and technical support for the information technology and computer systems of the Group, the purchase price/rents payable by the Group for the purchase/lease of products and facilities from the Hanjiang Group and the other terms will be determined with reference to the terms offered by Independent Third Parties for providing similar services/products.

### **Transaction 6 — Building design**

Scope: The Hanjiang Group agrees to appoint the Group to carry out construction and building design works for the property development projects of the Hanjiang Group.

Bases for determining price and other terms: The fees payable by the Hanjiang Group to the Group and the other terms will be determined with reference to the terms offered by Independent Third Parties for undertaking similar design projects and the latest standards and guidelines prescribed by the relevant local authority on the fees and other terms for providing similar services (if any).

### **Transaction 7 — Management of vacant properties and delivery of sold property units to purchasers**

Scope: The Hanjiang Group agrees to appoint the Group to manage vacant properties developed by the Hanjiang Group and to handle the delivery of sold property units of the Hanjiang Group in Guangdong Province, Beijing, Xi'an and Shanghai to purchasers.

## LETTER FROM THE BOARD

Bases for determining price and other terms:

The management fees payable by Hanjiang Group to the Group and the other terms will be determined with reference to related costs of the Group, the prevailing market rates charged by and the other terms offered by Independent Third Parties for providing similar services for properties of similar grading in the same region and the latest standards on property management and the property pricing guidelines prescribed by the local government of where the particular property is located, such as 關於物業服務收費管理辦法 (Measures on the Administration of Property Service Charges) jointly issued by 廣東省物價局 (Price Control Administrative Bureau of Guangdong Province) and 廣東省住房城鄉建設廳 (Department of Housing and Urban-rural Development of Guangdong Province) in 2010, 北京市物業服務收費管理辦法 (Measures on the Administration of Property Service Charges, Beijing Municipal) issued by 發展和改革委員會 (Development and Reform Commission) in 2005, 陝西省住宅小區物業服務指導標準 (Guiding Standard for Property Services in Small Residential Communities, Shaanxi Province) issued by 陝西省住房和城鄉建設廳 (Department of Housing and Urban-rural Development of Shaanxi Province) in 2011, 陝西省物業服務收費管理辦法 (Measures on the Administration of Property Service Charges, Shaanxi Province) jointly issued by 陝西省物價局 (Price Control Administration Bureau of Shaanxi Province) and 陝西省住房和城鄉建設廳 (Department of Housing and Urban-rural Development of Shaanxi Province) in 2011, 上海市住宅物業服務分等收費標準 (Charging Standard by Grades for Residential Property Service Charges, Shanghai Municipal) and 上海市住宅物業服務分等收費管理暫行辦法 (Temporary Measures on the Administration of Residential Property Service Charges by Grading, Shanghai Municipal) jointly issued by 上海市物價局 (Price Control Administrative Bureau of Shanghai Municipal) and 上海市房屋土地資源管理局 (Land Resources & Housing Administrative Bureau of Shanghai Municipal) in 2005.

### Transaction 8 — Shop and office lease

Scope:

The Group agrees to lease certain premises located in Guangzhou to the Hanjiang Group for use as shops and offices.

## LETTER FROM THE BOARD

Bases for determining rental and other terms:

The rent payable by the Hanjiang Group to the Group and the other terms will be determined with reference to the market rents received and the other terms offered by the Group to other lessees who are Independent Third Parties for leases of premises in the same building (or in the event that no such lease is available in the same building, reference should be made to the leases of premises of similar types and similar grading in the same region).

### 5. INTERNAL CONTROL MEASURES

To ensure that the terms of the individual sales contract or agreement in respect of the Transactions proposed to be entered into by the Group are fair and reasonable and are normal commercial terms or better so far as the Group is concerned, the cost centre of the Group will, before the Group enters into any individual sales contract or agreement in respect of the Transactions with the Hanjiang Group, first obtain quotations and other key terms for providing goods/services/leases of similar level and types from at least two Independent Third Parties for reference. The relevant operational team of the Group will then review and evaluate the terms proposed to be offered by/to the Hanjiang Group to/by our Group and compare such terms with that obtained from the Independent Third Parties. The operational team head will be responsible for approving the individual sales contract or agreement in respect of the Transactions to ensure that each of the engagements/orders/leases in respect of each of the Transactions will be of normal commercial terms offered by Independent Third Parties or better so far as the Group is concerned.

In addition, the cost centre of the Group will regularly collect and keep the relevant operational team informed of the latest standards and guidelines published by the relevant governmental authorities in the PRC that are relevant to the Transactions.

The Directors are of the view that the internal approval procedures and internal control measures adopted by the Group set out in the above are effective in ensuring that the Transactions will be conducted on normal commercial terms or better so far as the Group is concerned and such terms will be fair and reasonable to the Company and the Shareholders as a whole.

### 6. PROPOSED ANNUAL CAPS

It is proposed that the Annual Caps for the Transactions under the 2015 Framework Agreement in respect of each of the three financial years ending 31 December 2017 shall be RMB716,334,000 (equivalent to approximately HK\$909,744,000), RMB663,570,000 (equivalent to approximately HK\$842,734,000) and RMB639,242,000 (equivalent to approximately HK\$811,837,000), respectively.



## LETTER FROM THE BOARD

Set out below are the breakdowns of the Annual Caps proposed by the management of the Company for each of the three financial years ending 31 December 2017:

Transactions	2015 Annual Cap	2016 Annual Cap	2017 Annual Cap
<b>A. Services to be provided/premises to be leased by the Hanjiang Group to the Group pursuant to the 2015 Framework Agreement:</b>			
Transaction 1 — Construction	RMB424,027,000 (equivalent to approximately HK\$538,514,000)	RMB430,017,000 (equivalent to approximately HK\$546,122,000)	RMB415,985,000 (equivalent to approximately HK\$528,301,000)
Transaction 2 — Construction supervision	RMB12,291,000 (equivalent to approximately HK\$15,610,000)	RMB8,005,000 (equivalent to approximately HK\$10,166,000)	RMB5,341,000 (equivalent to approximately HK\$6,783,000)
Transaction 3 — Electricity installation, low voltage system and intelligent building system installation and consultancy service on budgeting and cost control for construction work	RMB179,950,000 (equivalent to approximately HK\$228,536,000)	RMB125,068,000 (equivalent to approximately HK\$158,836,000)	RMB114,296,000 (equivalent to approximately HK\$145,156,000)
Transaction 4 — Office lease	RMB9,296,000 (equivalent to approximately HK\$11,806,000)	RMB9,296,000 (equivalent to approximately HK\$11,806,000)	RMB10,052,000 (equivalent to approximately HK\$12,766,000)
Transaction 5 — Informatization and computerization related services	RMB60,402,000 (equivalent to approximately HK\$76,710,000)	RMB63,422,000 (equivalent to approximately HK\$80,546,000)	RMB66,592,000 (equivalent to approximately HK\$84,572,000)

<b>LETTER FROM THE BOARD</b>
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<b>Transactions</b>	<b>2015 Annual Cap</b>	<b>2016 Annual Cap</b>	<b>2017 Annual Cap</b>
<b>B. Services to be provided/premises to be leased by the Group to the Hanjiang Group pursuant to the 2015 Framework Agreement:</b>			
Transaction 6 — Building design	RMB8,852,000 (equivalent to approximately HK\$11,242,000)	RMB7,009,000 (equivalent to approximately HK\$8,901,000)	RMB6,742,000 (equivalent to approximately HK\$8,562,000)
Transaction 7 — Management of vacant properties and delivery of sold property units to purchasers	RMB18,910,000 (equivalent to approximately HK\$24,016,000)	RMB18,310,000 (equivalent to approximately HK\$23,254,000)	RMB17,710,000 (equivalent to approximately HK\$22,492,000)
Transaction 8 — Shop and office lease	RMB2,606,000 (equivalent to approximately <u>HK\$3,310,000</u> )	RMB2,443,000 (equivalent to approximately <u>HK\$3,103,000</u> )	RMB2,524,000 (equivalent to approximately <u>HK\$3,205,000</u> )
<b>Total:</b>	<b>RMB716,334,000</b> (equivalent to approximately <u>HK\$909,744,000</u> )	<b>RMB663,570,000</b> (equivalent to approximately <u>HK\$842,734,000</u> )	<b>RMB639,242,000</b> (equivalent to approximately <u>HK\$811,837,000</u> )

The management of the Company determined the proposed Annual Caps based on the estimated annual transaction amounts for each of the three financial years ending 31 December 2017 in respect of each of the Transactions. Set out below are the bases upon which such annual transaction amounts were estimated:

**Transaction 1 — Construction**

The relevant estimated transaction amounts were assessed based on (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the management's estimation of the aggregate gross floor area of the property units in Guangzhou, Beijing and other Eastern areas of the PRC, the construction of which are expected to be carried out by the Hanjiang Group for the relevant years; and (iii) the historical data relating to the Hanjiang Group carrying out construction work for the Group.

## LETTER FROM THE BOARD

### **Transaction 2 — Construction supervision**

The relevant estimated transaction amounts were assessed based on (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the Directors' estimation of the aggregate gross floor area of property units in Guangzhou, Beijing, Shanghai, Tianjin and other Eastern areas of the PRC, the construction work of which are expected to be supervised by the Hanjiang Group; and (iii) the historical data relating to provision of the construction supervision service by the Hanjiang Group to the Group.

### **Transaction 3 — Electricity installation, low voltage system and intelligent building system installation and consultancy service on budgeting and cost control for construction work**

The relevant estimated transaction amounts, which combined the aggregate estimated fees payable for the electricity installation, low voltage system and intelligent building system installation and the consultancy service on budgeting and cost control for construction, were assessed based on (i) the relevant pricing bases under the 2015 Framework Agreement; (ii) the management's estimated aggregate gross floor area of the property development projects in Guangzhou, Beijing, Shanghai, Tianjin and other Eastern areas of the PRC that the Group expects to complete and for which the Group proposes to appoint the Hanjiang Group to carry out the electricity installation and intelligent building system installation work and to provide consultancy service on budgeting and cost control for construction work for the relevant year; and (iii) the historical data relating to the Hanjiang Group's provision of the same services to the Group.

### **Transaction 4 — Office lease**

The relevant estimated transaction amounts were assessed based on (i) the proposed lease premises identified and (ii) the preliminary estimated rental for the proposed leases assessed based on the relevant pricing basis under the 2015 Framework Agreement.

### **Transaction 5 — Informatization and computerization related services**

The relevant estimated transaction amounts were assessed based on (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the nature of services, products and facilities to be provided by the Hanjiang Group to the Group based on the Group's plans; (iii) the historical data for the provision of informatization and computerization related services by the Hanjiang's Group to the Group; and (iv) the general proportion of turnover to expenses incurred on information technology in the property development industry in the PRC.

## LETTER FROM THE BOARD

### Transaction 6 — Building design

The relevant estimated transaction amounts were assessed based on (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the aggregate sizes and types of the construction and building projects of the Hanjiang Group for which the design work is proposed to be assigned to the Group in the relevant year; and (iii) the historical data relating to the Group carrying out design works for the Hanjiang Group.

### Transaction 7 — Management of vacant properties and delivery of sold property units to purchasers

The relevant estimated transaction amounts were assessed based on (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) Hanjiang's estimation of the aggregate gross floor area of the Hanjiang Group's property development projects for which the Hanjiang Group proposes to engage the Group to provide the management service and the number property units available for sale in the relevant year; and (iii) the historical data relating to the Group's provision of management service to the Hanjiang Group for its vacant properties and handling delivery of sold property units of the Hanjiang Group to purchasers.

### Transaction 8 — Shop and office lease

The relevant estimated transaction amounts were assessed based on (i) the proposed leased premises identified; and (ii) the preliminary estimated rental for the proposed leases assessed based on the relevant pricing basis under the 2015 Framework Agreement.

## 7. HISTORICAL TRANSACTION AMOUNTS OF THE TRANSACTIONS

Set out below are the annual caps and the actual transaction amounts of the Transactions which were also carried out in the three financial years ended 31 December 2014:

Transactions	Year ended 31 December 2012		Year ended 31 December 2013		Year ended 31 December 2014	
	Annual caps	Approximate transaction amount	Annual caps	Approximate transaction amount	Annual caps	Approximate transaction amount
Transaction 1 — Construction	RMB1,818,540,000 (equivalent to approximately HK\$2,309,546,000)	RMB174,732,000 (equivalent to approximately HK\$221,910,000)	RMB1,616,480,000 (equivalent to approximately HK\$2,052,930,000)	RMB280,767,000 (equivalent to approximately HK\$356,574,000)	RMB1,414,420,000 (equivalent to approximately HK\$1,796,313,000)	RMB418,472,000 (equivalent to approximately HK\$531,459,000)
Transaction 2 — Construction supervision	RMB16,597,000 (equivalent to approximately HK\$21,078,000)	RMB6,941,000 (equivalent to approximately HK\$8,815,000)	RMB14,635,000 (equivalent to approximately HK\$18,586,000)	RMB9,451,000 (equivalent to approximately HK\$12,003,000)	RMB13,114,000 (equivalent to approximately HK\$16,655,000)	RMB2,322,000 (equivalent to approximately HK\$2,949,000)

## LETTER FROM THE BOARD

Transactions	Year ended 31 December 2012		Year ended 31 December 2013		Year ended 31 December 2014	
	Annual caps	Approximate transaction amount	Annual caps	Approximate transaction amount	Annual caps	Approximate transaction amount
Transaction 3 — Electricity installation, low voltage system and intelligent building system installation, consultancy service for budgeting and cost control in for construction work	RMB526,410,000 (equivalent to approximately HK\$668,541,000)	RMB184,470,000 (equivalent to approximately HK\$234,277,000)	RMB467,920,000 (equivalent to approximately HK\$594,258,000)	RMB164,943,000 (equivalent to approximately HK\$209,478,000)	RMB409,430,000 (equivalent to approximately HK\$519,976,000)	RMB115,575,000 (equivalent to approximately HK\$146,780,000)
Transaction 4 — Office lease	RMB6,354,000 (equivalent to approximately HK\$8,070,000)	RMB2,861,000 (equivalent to approximately HK\$3,633,000)	RMB6,989,000 (equivalent to approximately HK\$8,876,000)	RMB2,414,000 (equivalent to approximately HK\$3,066,000)	RMB7,688,000 (equivalent to approximately HK\$9,764,000)	RMB2,861,000 (equivalent to approximately HK\$3,633,000)
Transaction 5 — Informatization and computerization related services	RMB39,952,000 (equivalent to approximately HK\$50,739,000)	RMB10,132,000 (equivalent to approximately HK\$12,868,000)	RMB47,943,000 (equivalent to approximately HK\$60,888,000)	RMB27,263,000 (equivalent to approximately HK\$34,624,000)	RMB57,531,000 (equivalent to approximately HK\$73,064,000)	RMB34,485,000 (equivalent to approximately HK\$43,796,000)
Transaction 6 — Building design	RMB33,340,000 (equivalent to approximately HK\$42,342,000)	RMB6,729,000 (equivalent to approximately HK\$8,546,000)	RMB36,197,000 (equivalent to approximately HK\$45,970,000)	RMB6,022,000 (equivalent to approximately HK\$7,648,000)	RMB36,637,000 (equivalent to approximately HK\$46,529,000)	RMB6,667,000 (equivalent to approximately HK\$8,467,000)
Transaction 7 — Management of vacant properties and delivery of sold property units to purchasers	RMB15,910,000 (equivalent to approximately HK\$20,206,000)	RMB7,400,000 (equivalent to approximately HK\$9,398,000)	RMB14,330,000 (equivalent to approximately HK\$18,199,000)	RMB7,098,000 (equivalent to approximately HK\$9,014,000)	RMB13,910,000 (equivalent to approximately HK\$17,666,000)	RMB2,811,000 (equivalent to approximately HK\$3,570,000)
Transaction 8 — Shop and office lease <sup>Note</sup>	RMB3,298,000 (equivalent to approximately HK\$4,188,000)	RMB1,425,000 (equivalent to approximately HK\$1,810,000)	RMB3,444,000 (equivalent to approximately HK\$4,374,000)	RMB872,000 (equivalent to approximately HK\$1,107,000)	RMB3,616,000 (equivalent to approximately HK\$4,592,000)	RMB1,949,000 (equivalent to approximately HK\$2,475,000)

*Note:* There was no office lease but only shop lease for the three financial years ended 31 December 2014.

### 8. INFORMATION OF THE GROUP AND THE HANJIANG GROUP

The Group is principally engaged in the development of residential properties in the mainland China. The Group is also involved in property investment, hotel operations and property management. The Transactions will be carried out in the Group's ordinary and usual course of business.

Hanjiang is engaged in the construction of properties, public utilities and power transmission and transformation in the PRC. It invests in various projects including infrastructure, land, energy and resources, electronics and telecommunications. It is also engaged in the sale and purchase of equipment for metallurgy, forging, mining and hydropower and the sale and purchase of other minerals, metals and construction materials.

## LETTER FROM THE BOARD

Hanjiang is classified as 房屋建築工程總承包壹級 (Property Construction First Class Main Contractor) by the relevant government authority in the PRC. First class main contractors is qualified to undertake larger scale projects than non-first class contractors. Hanjiang offers a comprehensive range of services, employing over 350 industry experts, of which 100 are mid to senior level. Hanjiang has also obtained the ISO 9000 certification for its quality management systems, achieving high quality standard in construction safety and cost management and control. Hanjiang is a reputable contractor in the industry, has a proven track record and possesses the relevant technical capabilities and expertise in handling large scale construction projects including numerous highly rated commercial buildings in the PRC. The Group considers that the pricing offered by Hanjiang Group is highly competitive.

### **9. REASONS FOR, AND BENEFITS OF, ENTERING INTO THE 2015 FRAMEWORK AGREEMENT**

The purpose of entering into the 2015 Framework Agreement is to regulate the Transactions which are recurrent, regular and continuing in nature between the Group and the Hanjiang Group. The Group has been transacting with the Hanjiang Group since 2003. Over the years, the Group and the Hanjiang Group have built up a close and good working relationship. Given Hanjiang Group's proven track record, qualification, expertise, reputation, experience and highly competitive pricing, the Group is of the view that the continued appointment of the Hanjiang Group for the provision of services under Transaction 1 to Transaction 3 and Transaction 5 and the continued leasing of office premises from the Hanjiang Group under Transaction 4 are in the interests of the Company and the Shareholders as a whole. In view of the long-term and good working relationship between the Group and the Hanjiang Group and the good payment records of Hanjiang Group, the Group considers that the provision of services under Transaction 6 and Transaction 7 and the leasing of shop and office premises under Transaction 8 to the Hanjiang Group on normal commercial terms or better so far as the Group is concerned would generate a steady income source to the Group and are in the interests of the Company and the Shareholders as a whole. The entering into of the 2015 Framework Agreement will provide a single basis on which the Company will comply with the reporting, announcement, circular and independent shareholders' approval requirements under the Listing Rules, thereby reducing the Company's administrative burden and costs for complying with such requirements in relation to the execution of separate sales contract or agreement for each of the engagements/orders/leases under each of the Transactions.

The Directors consider that the Transactions will be carried out in the ordinary and usual course of business of the Group and on normal commercial terms or better so far as the Group is concerned. The Directors having considered the bases and principles for determining the pricing and other terms of the individual contracts or agreements for the Transactions and the bases for determining the proposed Annual Caps, consider the terms of the 2015 Framework Agreement, the Transactions and the Annual Caps to be fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

## **LETTER FROM THE BOARD**

### **10. LISTING RULES IMPLICATIONS**

As at the Latest Practicable Date, Hanjiang is directly held as to 99% by Mr. Chu Yat Hong who is a son of Mr. Chu and a brother of Ms. Chu. Mr. Chu Yat Hong also indirectly owns approximately 17.61% of the shares of the Company. Accordingly, Hanjiang is a connected person of the Company under the Listing Rules and the 2015 Framework Agreement and the Transactions constitute continuing connected transactions of the Company under the Listing Rules.

As certain applicable percentage ratios (other than the profits ratio) of the 2015 Annual Caps exceed 5%, the 2015 Framework Agreement and the Transactions constitute non-exempt continuing connected transactions of the Company and the 2015 Framework Agreement, the Transactions and the Annual Caps are subject to reporting, announcement, circular, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The Company proposes to seek the Independent Shareholders' approval of the 2015 Framework Agreement, the Transactions and the Annual Caps for the three financial years ending 31 December 2017 at the SGM. Each of Sounda, Hopson Education Funds and Farrich will abstain from voting at the SGM and votes of the Independent Shareholders at the SGM will be taken by poll.

Since the 2015 Framework Agreement and the Transactions constitute connected transactions for the Company due to the connection between Hanjiang and each of Mr. Chu and Ms. Chu, each of Mr. Chu and Ms. Chu abstained from voting on the resolutions of the Board approving the 2015 Framework Agreement, the Transactions and the Annual Caps.

### **11. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising all the independent non-executive Directors as at the Latest Practicable Date, has been established to advise the Independent Shareholders on 2015 Framework Agreement, the Transactions and the Annual Caps.

Beijing Securities, an independent financial adviser, has been appointed to advise the Independent Board Committee and the Independent Shareholders regarding the 2015 Framework Agreement, the Transactions and the Annual Caps.

Your attention is drawn to the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders set out on pages 23 to 24 of this circular and the advice letter from Beijing Securities to the Independent Board Committee and the Independent Shareholders set out on pages 25 to 56 of this circular.

### **12. SGM**

A notice convening the SGM is set out in Appendix II to this circular. At the SGM, a resolution will be proposed to the Independent Shareholders to consider and, if thought fit, approve the 2015 Framework Agreement, the Transactions and the Annual Caps.

## LETTER FROM THE BOARD

A form of proxy for the SGM for use by the Shareholders is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the principal office of the Company at Suites 3305-3309, 33rd Floor, Jardine House, 1 Connaught Place, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

### 13. RECOMMENDATION

The Directors consider that the 2015 Framework Agreement and the Transactions are on normal commercial terms or better so far as the Group is concerned, in the ordinary course of business of the Group and terms thereof are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and the Annual Caps are also fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution at the SGM. Your attention is drawn to the letter from the Independent Board Committee set out on pages 23 to 24 of this circular and the letter from Beijing Securities set out on pages 25 to 56 of this circular.

### 14. GENERAL INFORMATION

Your attention is drawn to the general information set out in Appendix I to this circular.

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





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>*

12 May 2015

*To the Independent Shareholders*

Dear Sir or Madam,

## **CONTINUING CONNECTED TRANSACTIONS**

### **INTRODUCTION**

We refer to the circular dated 12 May 2015 issued by the Company, of which this letter forms part (“**Circular**”). Terms used in this letter shall have the same meanings defined in the Circular unless the context requires otherwise.

The Independent Board Committee comprising Messrs. Lee Tsung Hei, David and Tan Leng Cheng, Aaron has been established to advise you in respect of the 2015 Framework Agreement, the Transactions and the Annual Caps, details of which are set out in the Circular. Beijing Securities has been appointed to advise the Independent Board Committee and the Independent Shareholders regarding the 2015 Framework Agreement, the Transactions and the Annual Caps.

### **RECOMMENDATION**

We wish to draw your attention to the Letter from the Board as set out on pages 4 to 22 of the Circular and the letter from Beijing Securities which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the 2015 Framework Agreement, the Transactions and the Annual Caps as set out on pages 25 to 56 of the Circular.

\* *for identification purposes only*

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

Having taken into account the advice of Beijing Securities and the principal factors and reasons considered by Beijing Securities, we consider that the 2015 Framework Agreement and the Transactions are of normal commercial terms or better so far as the Group is concerned and are in the ordinary and usual course of business of the Group and the 2015 Framework Agreement, the Transactions and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution proposed at the SGM to approve the 2015 Framework Agreement, the Transactions and the Annual Caps.

Yours faithfully,  
For and on behalf of  
the Independent Board Committee

**Lee Tsung Hei, David**  
*Independent non-executive*  
*Director*

**Tan Leng Cheng, Aaron**  
*Independent non-executive*  
*Director*

## LETTER FROM BEIJING SECURITIES

*The following is the letter of advice from Beijing Securities to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purposes of inclusion in this circular.*

**Beijing Securities**  
Beijing Securities Limited  
北京證券有限公司

### BEIJING SECURITIES LIMITED

14th Floor, Shanghai Industrial Investment Building, 48 Hennessy Road, Wanchai, Hong Kong

12 May 2015

*To the Independent Board Committee and the Independent Shareholders of  
Hopson Development Holdings Limited*

Dear Sirs,

### CONTINUING CONNECTED TRANSACTIONS

#### INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2015 Framework Agreement, the Transactions and the Annual Caps, details of which are set out in the letter from the Board contained in the circular of the Company dated 12 May 2015 (the “**Circular**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

The 2012 Framework Agreement expired on 31 December 2014. Since the Group expects to continue certain recurring transactions contemplated under the 2012 Framework Agreement and to enter into certain new recurring transactions with the Hanjiang Group in the three years ending 31 December 2017, the Company entered into the 2015 Framework Agreement with Hanjiang to govern the Transactions on 22 April 2015.

Hanjiang is directly held as to 99% by Mr. Chu Yat Hong who is a son of Mr. Chu and a brother of Ms. Chu. Mr. Chu Yat Hong also indirectly owns approximately 17.61% of the shares of the Company. Accordingly, Hanjiang is a connected person of the Company under the Listing Rules and the 2015 Framework Agreement and the Transactions constitute continuing connected transactions of the Company under the Listing Rules.

Furthermore, as certain applicable percentage ratios (other than the profits ratio) of the 2015 Annual Caps exceed 5%, the 2015 Framework Agreement and the Transactions constitute non-exempt continuing connected transactions of the Company and the 2015 Framework Agreement, the

## LETTER FROM BEIJING SECURITIES

Transactions and the Annual Caps are subject to reporting, announcement, circular, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules. Accordingly, the Company proposes to seek the Independent Shareholders' approval of the 2015 Framework Agreement, the Transactions and the Annual Caps for the three years ending 31 December 2017 at the SGM.

The Board currently comprises six executive Directors and two independent non-executive Directors. The Independent Board Committee, which currently comprises all the independent non-executive Directors, Mr. Lee Tsung Hei, David and Mr. Tan Leng Cheng, Aaron, has been established to advise the Independent Shareholders regarding the 2015 Framework Agreement, the Transactions and the Annual Caps. We have been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect and such appointment has been approved by the Independent Board Committee.

Beijing Securities Limited is not connected with the directors, chief executive or substantial shareholders of the Company and the Hanjiang Group or any of their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby Beijing Securities Limited will receive any fees or benefits from the Company or the directors, chief executive or substantial shareholders of the Company and the Hanjiang Group or any of their respective associates.

Our role is to provide you with our independent opinion and recommendation as to (i) whether the terms of the 2015 Framework Agreement, the Transactions and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and whether they are in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the 2015 Framework Agreement, the Transactions and the Annual Caps.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the executive Directors, the Company and its management.

We have assumed that all information and representations that have been provided by the executive Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made. We have also assumed that all statements of belief, opinion, expectation and intention made by the executive Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or the executive Directors, which have been provided to us.

## LETTER FROM BEIJING SECURITIES

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

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the executive Directors and the management of the Group nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group.

### PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion in respect of the the terms of the 2015 Framework Agreement, the Transactions and the Annual Caps, we have considered the following principal factors and reasons:

#### 1. Background of the 2015 Framework Agreement

As the 2012 Framework Agreement expired on 31 December 2014 and the Group expects to continue certain recurring transactions contemplated under the 2012 Framework Agreement and to enter into certain new recurring transactions with the Hanjiang Group in the three years ending 31 December 2017, the Company entered into the 2015 Framework Agreement with Hanjiang to govern the Transactions on 22 April 2015.

Set out below is a summary description of the Transactions pursuant to the 2015 Framework Agreement.

(a) ***Services to be provided/premises to be leased by the Hanjiang Group to the Group pursuant to the 2015 Framework Agreement:***

*Transaction 1 — Construction (“Transaction 1”)*

The appointment of the Hanjiang Group by the Group to carry out construction work for the Group’s property development projects.

*Transaction 2 — Construction supervision (“Transaction 2”)*

The appointment of the Hanjiang Group by the Group to supervise the construction of the Group’s property development projects.

## LETTER FROM BEIJING SECURITIES

*Transaction 3 — Electricity installation, low voltage system and intelligent building system installation and consultancy service on budgeting and cost control for construction work (“Transaction 3”)*

The appointment of the Hanjiang Group by the Group to carry out electricity installation and low voltage system and intelligent building system installation for the Group’s property development projects and to provide the Group with consultancy service on budgeting for tenders and cost control for its construction work.

*Transaction 4 — Office lease (“Transaction 4”)*

The lease of commercial premises in Guangzhou and Shanghai by the Hanjiang Group to the Group.

*Transaction 5 — Informatization and computerization related services (“Transaction 5”)*

The appointment of the Hanjiang Group by the Group to set up the information technology infrastructure and maintain the servers of the Group, to supply information and computer system related products and facilities to the Group and to provide the Group with consultancy service, staff training and technical support for the information technology and computer systems of the Group.

**(b) *Services to be provided/premises to be leased by the Group to the Hanjiang Group pursuant to the 2015 Framework Agreement:***

*Transaction 6 — Building design (“Transaction 6”)*

The appointment of the Group by the Hanjiang Group to carry out construction and building design works for the property development projects of the Hanjiang Group.

*Transaction 7 — Management of vacant properties and delivery of sold property units to purchasers (“Transaction 7”)*

The appointment of the Group by the Hanjiang Group to manage vacant properties developed by the Hanjiang Group and to handle the delivery of sold property units of the Hanjiang Group in the Guangdong Province, Beijing, Xi’an and Shanghai to purchasers.

*Transaction 8 — Shop and office lease (“Transaction 8”)*

The lease of shop and office premises in Guangzhou owned by the Group to the Hanjiang Group.

## LETTER FROM BEIJING SECURITIES

### 2. Principal terms of the 2015 Framework Agreement

As set out in the 2015 Framework Agreement (i) Hanjiang shall procure the relevant member(s) of the Hanjiang Group or their respective sub-contractors to perform the services set out in Section 1(a) of this letter above and shall procure the relevant member(s) of the Hanjiang Group to lease certain office premises to the Group; (ii) the Company shall procure the relevant member(s) of the Group or their respective sub-contractors to perform the services set out in Section 1(b) of this letter above and shall procure the relevant member(s) of the Group to lease certain shop and office premises to the Hanjiang Group.

The 2015 Framework Agreement is conditional upon the Company having obtained the approval of the Independent Shareholders at a general meeting of the Company.

In respect of each engagement for each of the Transactions, the Group and the Hanjiang Group will procure their respective members to enter into a separate sales contract or agreement for each of the engagements/orders/leases. The sales contracts or agreements will contain specific terms of each of the engagements/orders/leases which are consistent with the terms and principles set forth in the 2015 Framework Agreement. In general, the terms of each of the engagements/orders/leases in respect of the Transactions must be fair and reasonable so far as the Group is concerned and each individual sales contract or agreement that the Group and the Hanjiang Group will enter into must pass through the Group's internal approval procedures (please refer to the sub-section "Internal Control Measures" below for more details on the Group's internal approval procedures) to ensure such engagements/orders will be on normal commercial terms so far as the Group is concerned.

#### *Internal Control Measures*

To ensure that the terms of each of the individual sales contracts or agreements in respect of the Transactions proposed to be entered into by the Group are fair and reasonable and are on normal commercial terms so far as the Group is concerned, the Group has adopted the following internal approval procedures:

- The cost centre of the Group will, before the Group enters into any individual sales contract or agreement in respect of the Transactions with the Hanjiang Group, first obtain quotations and other key terms for providing goods/services/leases of similar level and types from at least two Independent Third Parties for reference.
- The relevant operational team of the Group will then review and evaluate the terms proposed to be offered by/to the Hanjiang Group to/by our Group and compare such terms with that obtained from the Independent Third Parties.

## LETTER FROM BEIJING SECURITIES

- The operational team head will be responsible for approving the individual sales contract or agreement in respect of the Transactions to ensure that each of the engagements/orders/leases in respect of each of the Transactions will be of normal commercial terms offered by Independent Third Parties or better so far as the Group is concerned.
- The cost centre of the Group will also regularly collect and keep the relevant operational team informed of the latest standards and guidelines published by the relevant governmental authorities in the PRC that are relevant to the Transactions.

Given that each individual sales contract or agreement in respect of the Transactions with the Hanjiang Group will be compared with the quotations and terms of similar goods/services/leases from at least two Independent Third Parties to ensure that the engagements/orders/leases in respect of each of the Transactions will be conducted on normal commercial terms and also that there is appropriate segregation of duties in the approval process in each of the engagements/orders/leases, we are of the view that the internal approval procedures and internal control measures adopted by the Group as set out above are adequate and effective in ensuring that the Transactions will be conducted on normal commercial terms and they are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### **3. Background information of the Group and the Hanjiang Group and the reasons for, and benefits of, entering into the 2015 Framework Agreement**

#### **(a) *Background information of the Group***

The Group is principally engaged in the development of residential properties in mainland China. The Group is also involved in property investment, hotel operations and property management. Its property development business covers various cities in the PRC including but not limited to Guangzhou, Beijing, Shanghai, Tianjin and Huizhou.

Set out below is a summary of the financial information of the Group for the two years ended 31 December 2014 as extracted from its annual results announcement for the year ended 31 December 2014 (the “**Annual Results**”).



## LETTER FROM BEIJING SECURITIES

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2014</b>	<b>2013</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)
<i>Revenue</i>		
— Sales of properties	15,461,572	14,136,060
— Property management income	816,008	664,042
— Income from hotel operations	251,608	246,810
— Rental income	461,651	415,962
— Construction services	<u>54,023</u>	<u>185,333</u>
<b>Total Revenue</b>	<u><u>17,044,862</u></u>	<u><u>15,648,207</u></u>
<b>Gross profit</b>	<u><u>5,251,665</u></u>	<u><u>5,987,351</u></u>
<b>Profit for the year</b>	<u><u>2,927,936</u></u>	<u><u>3,834,486</u></u>

Revenue generated from sales of properties for the years ended 31 December 2013 and 2014 amounted to approximately HK\$14,136.1 million and HK\$15,461.6 million respectively, which represented approximately 90.3% and 90.7% of the total revenue of the Group. The revenue generated from sales of properties recorded in 2014 also represented an increase of approximately 9.4% as compared to 2013. The overall gross floor area delivered by the Group in 2014 was approximately 735,234 square metres as compared to approximately 653,507 square metres in 2013, which represented an increase of approximately 12.5%. However, the overall average selling price in respect of delivered and completed properties decreased by approximately 4.1% to approximately RMB16,521 in 2014 as compared to approximately RMB17,222 per square metre in 2013. The decrease in average selling price was mainly due to the decrease in the proportion of the recognized sales of high-end projects such as Hopson No. 8 Royal Park (合生霄雲路8號) and the increase in proportion of the recognized sales of lower-end projects with a lower selling price such as Hopson World Garden (合生世界花園). Despite this, the Group recorded a decrease of gross profit of approximately 12.3% from approximately HK\$5,987.4 million in 2013 to approximately HK\$5,251.7 million in 2014 mainly due to the increase in cost of sales and the increase in the proportion of items with rigid demand in 2014.

As set out in the Annual Results, the regulation for the property market in the PRC shifted from intense policy intervention by the Central Government to market-oriented adjustment, where policies remain relatively loose in 2014. In the second half of 2014, measures such as the loosening of “Loan Limits” and “Disproportionate Interest Reduction” re-invigorated the market and accelerated its rebound. In 2015, the Company expects that the

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property market in the PRC will experience moderate growth due to the further loosening of monetary policies. Despite the rebound of the property market in the PRC by the end of 2014, the Company expects the growth in the property market in the PRC to be moderate.

### **(b) *Background information of the Hanjiang Group***

Hanjiang is engaged in the construction of properties, public utilities and power transmission and transformation facilities in the PRC. It invests in various projects including infrastructure, land, energy and resources, electronics and telecommunications. It is also engaged in the sale and purchase of equipment for metallurgy, forging, mining and hydropower and the sale and purchase of other minerals, metals and construction materials.

Hanjiang is classified as 房屋建築工程總承包壹級 (Property Construction First Class Main Contractor) by the relevant government authority in the PRC. First class main contractors is qualified to undertake larger scale projects than non-first class contractors. Hanjiang offers a comprehensive range of services, employing over 350 industry experts, of which 100 are mid-to-senior level. Hanjiang has also obtained the ISO 9000 certification for its quality management systems, achieving high quality standard in construction safety and cost management and controls. Furthermore, Hanjiang is a reputable contractor in the industry which has a proven track record and possesses the relevant technical capabilities and expertise in handling large scale construction projects including numerous highly rated commercial buildings in the PRC.

Since 2003, the Group has been transacting with the Hanjiang Group and they have established close business relationship. The Hanjiang Group has completed various construction and related services for construction projects of the Group. Also, we understand that the Hanjiang Group has maintained good payment records for services provided/premises to be leased by the Group to the Hanjiang Group.

### **(c) *The reasons for, and benefits of, entering into the 2015 Framework Agreement***

The 2015 Framework Agreement is to regulate the Transactions which are recurrent, regular and continuing in nature between the Group and the Hanjiang Group. The entering into of the 2015 Framework Agreement will provide a fair basis upon which the Company will comply with the reporting, announcement, circular and independent shareholders' approval requirements under the Listing Rules, thereby reducing the Company's administrative burden and costs for complying with such requirements in relation to the execution of separate sales contract or agreement for each of the engagements/orders/leases under each of the Transactions. In addition, having considered that (i) the Hanjiang Group is a reputable construction contractor in the PRC; (ii) the Hanjiang Group has the capability to undertake construction of large scale construction projects; (iii) the long-term established business relationship between the Group and the Hanjiang Group; (iv) the proven track record the Hanjiang Group has in transacting with the Group; and (v) the Hanjiang Group has maintained good payment records with the Group, we are of the view that the Transactions contemplating

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under the 2015 Framework Agreement with the Hanjiang Group will provide an efficient and effective mean for the Group to carry out certain of its business activities and hence are in the interests of the Company and its Shareholders as a whole.

#### **4. Principal terms of the Transactions and basis for determining the respective Annual Caps**

##### **(a) *Historical annual caps, historical transaction amounts and proposed Annual Caps of the Transactions***

Set out below are the details of (i) the annual caps of the Transactions which were also carried out for the three years ended 31 December 2014; (ii) the approximate actual transaction amounts of the Transactions which were also carried out for the three years ended 31 December 2014; and (iii) the proposed Annual Caps for the three years ending 31 December 2017.

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Transactions	Historical Annual Caps for the year ended 31 December				Approximate transaction amounts for the year ended 31 December				Proposed Annual Caps for the year ending 31 December			
	2012	2013	2014	2014	2012	2013	2014	2014	2015	2016	2017	
A. <i>Services to be provided/premises to be leased by the Hanjiang Group to the Group pursuant to the 2015 Framework Agreement:</i>												
Transaction 1 — Construction	RMB1,818,540,000 (equivalent to approximately HK\$2,309,546,000)	RMB1,616,480,000 (equivalent to approximately HK\$2,052,930,000)	RMB1,414,420,000 (equivalent to approximately HK\$1,796,313,000)	RMB1,747,732,000 (equivalent to approximately HK\$2,219,910,000)	RMB280,767,000 (equivalent to approximately HK\$356,574,000)	RMB418,472,000 (equivalent to approximately HK\$531,459,000)	RMB424,027,000 (equivalent to approximately HK\$538,514,000)	RMB430,017,000 (equivalent to approximately HK\$546,122,000)	RMB424,027,000 (equivalent to approximately HK\$538,514,000)	RMB430,017,000 (equivalent to approximately HK\$546,122,000)	RMB415,985,000 (equivalent to approximately HK\$528,301,000)	
Transaction 2 — Construction supervision	RMB16,597,000 (equivalent to approximately HK\$21,078,000)	RMB14,635,000 (equivalent to approximately HK\$18,586,000)	RMB13,114,000 (equivalent to approximately HK\$16,655,000)	RMB6,941,000 (equivalent to approximately HK\$8,815,000)	RMB9,451,000 (equivalent to approximately HK\$12,003,000)	RMB2,322,000 (equivalent to approximately HK\$2,949,000)	RMB12,291,000 (equivalent to approximately HK\$15,610,000)	RMB8,005,000 (equivalent to approximately HK\$10,166,000)	RMB12,291,000 (equivalent to approximately HK\$15,610,000)	RMB8,005,000 (equivalent to approximately HK\$10,166,000)	RMB5,341,000 (equivalent to approximately HK\$6,783,000)	
Transaction 3 — Electricity installation, low voltage system and intelligent building system installation, consultancy service on budgeting and cost control for construction work	RMB526,410,000 (equivalent to approximately HK\$668,541,000)	RMB467,920,000 (equivalent to approximately HK\$594,258,000)	RMB409,430,000 (equivalent to approximately HK\$519,976,000)	RMB184,470,000 (equivalent to approximately HK\$234,277,000)	RMB164,943,000 (equivalent to approximately HK\$209,478,000)	RMB115,575,000 (equivalent to approximately HK\$146,780,000)	RMB179,950,000 (equivalent to approximately HK\$228,536,000)	RMB125,068,000 (equivalent to approximately HK\$158,836,000)	RMB179,950,000 (equivalent to approximately HK\$228,536,000)	RMB125,068,000 (equivalent to approximately HK\$158,836,000)	RMB114,296,000 (equivalent to approximately HK\$145,156,000)	
Transaction 4 — Office lease	RMB6,354,000 (equivalent to approximately HK\$8,070,000)	RMB6,989,000 (equivalent to approximately HK\$8,876,000)	RMB7,688,000 (equivalent to approximately HK\$9,764,000)	RMB2,861,000 (equivalent to approximately HK\$3,633,000)	RMB2,414,000 (equivalent to approximately HK\$3,066,000)	RMB2,861,000 (equivalent to approximately HK\$3,633,000)	RMB9,296,000 (equivalent to approximately HK\$11,806,000)	RMB9,296,000 (equivalent to approximately HK\$11,806,000)	RMB9,296,000 (equivalent to approximately HK\$11,806,000)	RMB9,296,000 (equivalent to approximately HK\$11,806,000)	RMB10,052,000 (equivalent to approximately HK\$12,766,000)	
Transaction 5 — Informatization and computerization related services	RMB39,952,000 (equivalent to approximately HK\$50,739,000)	RMB47,943,000 (equivalent to approximately HK\$60,888,000)	RMB57,531,000 (equivalent to approximately HK\$73,064,000)	RMB10,132,000 (equivalent to approximately HK\$12,868,000)	RMB27,263,000 (equivalent to approximately HK\$34,624,000)	RMB34,485,000 (equivalent to approximately HK\$43,796,000)	RMB60,402,000 (equivalent to approximately HK\$76,710,000)	RMB63,422,000 (equivalent to approximately HK\$80,546,000)	RMB60,402,000 (equivalent to approximately HK\$76,710,000)	RMB63,422,000 (equivalent to approximately HK\$80,546,000)	RMB66,592,000 (equivalent to approximately HK\$84,572,000)	

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Transactions	Historical Annual Caps for the year ended 31 December			Approximate transaction amounts for the year ended 31 December			Proposed Annual Caps for the year ending 31 December		
	2012	2013	2014	2012	2013	2014	2015	2016	2017
<b>B. Services to be provided/premises to be leased by the Group to the Hanjiang Group pursuant to the 2015 Framework Agreement:</b>									
Transaction 6 — Building design	RMB33,340,000 (equivalent to approximately HK\$42,342,000)	RMB36,197,000 (equivalent to approximately HK\$45,970,000)	RMB36,637,000 (equivalent to approximately HK\$46,529,000)	RMB6,729,000 (equivalent to approximately HK\$8,546,000)	RMB6,022,000 (equivalent to approximately HK\$7,648,000)	RMB6,667,000 (equivalent to approximately HK\$8,467,000)	RMB8,852,000 (equivalent to approximately HK\$11,242,000)	RMB7,009,000 (equivalent to approximately HK\$8,901,000)	RMB6,742,000 (equivalent to approximately HK\$8,562,000)
Transaction 7 — Management of vacant properties and delivery of sold property units to purchasers	RMB15,910,000 (equivalent to approximately HK\$20,206,000)	RMB14,330,000 (equivalent to approximately HK\$18,199,000)	RMB13,910,000 (equivalent to approximately HK\$17,666,000)	RMB7,400,000 (equivalent to approximately HK\$9,398,000)	RMB7,098,000 (equivalent to approximately HK\$9,014,000)	RMB2,811,000 (equivalent to approximately HK\$3,570,000)	RMB18,910,000 (equivalent to approximately HK\$24,016,000)	RMB18,310,000 (equivalent to approximately HK\$23,254,000)	RMB17,710,000 (equivalent to approximately HK\$22,492,000)
Transaction 8 — Shop and office lease <sup>Note</sup>	RMB3,298,000 (equivalent to approximately HK\$4,188,000)	RMB3,444,000 (equivalent to approximately HK\$4,374,000)	RMB3,616,000 (equivalent to approximately HK\$4,592,000)	RMB1,425,000 (equivalent to approximately HK\$1,810,000)	RMB872,000 (equivalent to approximately HK\$1,107,000)	RMB1,949,000 (equivalent to approximately HK\$2,475,000)	RMB2,606,000 (equivalent to approximately HK\$3,310,000)	RMB2,443,000 (equivalent to approximately HK\$3,103,000)	RMB2,524,000 (equivalent to approximately HK\$3,205,000)

*Note:* There was no office lease but only shop lease for the years ended 31 December 2012, 2013 and 2014.

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**(b) *Principal terms of the Transactions and basis for determining the respective Annual Caps***

***Services to be provided/premises to be leased by the Hanjiang Group to the Group pursuant to the 2015 Framework Agreement***

**Transaction 1 — Construction**

Pursuant to the 2015 Framework Agreement, the Group may, from time to time and subject to the execution of separate agreement setting out the specific terms of each engagement, appoint the Hanjiang Group to carry out construction works for property projects of the Group in the PRC.

***Basis for determining price and other terms under Transaction 1***

As set out in the 2015 Framework Agreement, the construction fees payable by the Group to the Hanjiang Group and the terms thereto for carrying out construction work of the property development projects of the Group in the PRC shall be determined with reference to the prices and terms offered by independent contractors for providing similar services and the latest stipulated standards and guidelines prescribed by 建設委員會 (Construction Committee) of where the project is located, such as 北京市建設工程計價依據 — 預算定額 (Costing Basis of Construction and Installation Works, Beijing Municipal — Base Price Budgeting) published by 北京市建設委員會 (Construction Committee of Beijing Municipal) in 2012 for property projects in Beijing; and 廣東省建設工程計價依據(2010年) (Costing Basis of Construction and Installation Works, Guangdong Province (2010)) published by 廣東省建設廳 (Construction Department of Guangdong Province) in 2010 for property projects in Guangzhou.

***Basis for determining and discussion of the Annual Caps under Transaction 1***

Set out below are the proposed Annual Caps of Transaction 1 for each of the three years ending 31 December 2017:

	<b>Proposed Annual Caps for the year ending 31 December</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Transaction 1</b>	RMB424,027,000 (equivalent to approximately HK\$538,514,000)	RMB430,017,000 (equivalent to approximately HK\$546,122,000)	RMB415,985,000 (equivalent to approximately HK\$528,301,000)

In determining the Annual Caps for Transaction 1 under the 2015 Framework Agreement, the Group has taken into account (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the management's estimation of the aggregate gross floor area of the property units in Guangzhou, Beijing and other Eastern areas of the

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PRC, the construction of which are expected to be carried out by the Hanjiang Group for the relevant years; and (iii) the historical construction cost data relating to the Hanjiang Group carrying out construction work for the Group.

In this connection, we have reviewed (i) a schedule setting out information on the estimated construction fees to be payable by the Group to the Hanjiang Group for the three years ending 31 December 2017; (ii) a schedule setting out information on the breakdown of estimated average unit construction fee; (iii) a certificate issued by an independent engineering project cost consulting firm in the PRC which was hired by the Company for carrying out an independent assessment on the estimated average unit construction fee for the property projects of the Group; (iv) a schedule setting out information on the historical construction fees paid by the Group to the Hanjiang Group during the three years ended 31 December 2014; (v) figures/information on the average unit construction cost estimated by an engineering project cost consulting firm in the PRC for the previous construction service annual caps for the three years ended 31 December 2014; (vi) construction contracts, on a random basis, entered into between the Group and the Hanjiang Group during the three years ended 31 December 2014; and (vii) reference materials for setting prices in construction works, including the aforementioned standards and guidelines stipulated by the relevant government authorities.

In relation to the historical construction fees paid by the Group to the Hanjiang Group during the three years ended 31 December 2014, we have obtained, on a random basis, copies of several construction contracts made between the Group and the Hanjiang Group and compared that to the figures/information on the average unit construction cost estimated by an engineering project cost consulting firm in the PRC for the previous construction service annual caps for the three years ended 31 December 2014. The comparison shows that the historical construction fees paid by the Group to the Hanjiang Group was in line with such figures/information.

In deriving the proposed Annual Caps for Transaction 1, the Company has estimated the average unit construction fee payable and the aggregate gross floor areas for the property projects of the Group in Guangzhou, Beijing and other Eastern areas of the PRC, the construction of which are probably to be performed by the Hanjiang Group for each of the three years ending 31 December 2017. As advised by the Company, whilst the estimated unit construction fee for each of the property projects may vary as they are subject to a few factors: (i) the types of construction materials consumed; (ii) the class of the properties; (iii) the scope of the construction works; and (iv) the geographic location of the property sites, the overall effect after averaging them would be very close and hence the Company has estimated the average unit construction fee payable to the Hanjiang Group by taking the average of the estimated unit fees for each of the property projects and which is also considered reasonable. Further, to determine whether the average estimated unit construction fee payable by the Group to the Hanjiang Group for the three years ending 31 December 2017 are on normal commercial terms, the Company has also hired an independent engineering project cost consulting

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firm (“**Consulting Firm**”) in the PRC to carry out independent assessment in regard to the estimated average unit construction fee payable under Transaction 1. For our due diligence purpose, we have discussed with the Consulting Firm on the works they have performed. We have also enquired its qualifications, expertise and independence to the Group and have reviewed its engagement, including its scope of work. We were not aware of any irregularities during our interview with the Consulting Firm or in our review of the work. In particular, we note that the Consulting Firm has business license to carry out construction cost assessment business in the PRC and it also possesses grade A qualification to carry out project costing consultation in the PRC with 工程造價諮詢企業甲級資質證書 (Engineering Project Cost Consultancy Grade A Qualification Certificate). The Consulting Firm has reviewed the estimated average unit construction fee of the Group under the Transaction 1 and performed other works as deemed necessary, and after its examination, confirmed that the estimated average unit construction fee used by the Group are in line with the market price. As such, we are satisfied with its view that these estimated unit average fee is in line with the market price.

In addition, as the estimated average unit construction fee for various property projects of the Group would also need to be conformed to the government standards aforementioned, which are the latest available standards prescribed by the relevant construction committees of where the property projects are located, the Company therefore also advised that before entering into a specific agreement for each engagement under Transaction 1 by the Group and the Hanjiang Group, the relevant fees for construction works shall also be required to be determined by making reference to, among others, the then available relevant standards.

Furthermore, we have also reviewed the schedule in respect of the estimated aggregate gross floor areas for the property projects of the Group in Guangzhou, Beijing and other Eastern areas of the PRC, the construction of which are expected to be carried out by the Hanjiang Group for the three years ending 31 December 2017. As advised by the Company, the estimated aggregate gross floor areas for the property projects of the Group determined therein are prepared in accordance with the Group’s property development schedule in the forth coming years. Having reviewed the schedule and discussed with the management of the Company basis of the preparation, we are of the view that such estimated aggregate gross floor areas are consistent with the Group’s view on the market trend from 2015 to 2017.

Also, as the Group and the Hanjiang Group have established long-term business relationship and the construction services provided by the Hanjiang Group have been satisfactory and therefore the continuing appointment of the Hanjiang Group to provide the Group with construction services can further boost the overall operating efficiency and enhance cost effectiveness of the Group as a whole.



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In light of the work above, we are of the view that Transaction 1 and the terms thereto are on normal commercial terms and the fees payable thereunder as well as the proposed Annual Caps for Transaction 1 are properly estimated and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### Transaction 2 — Construction Supervision

Pursuant to the 2015 Framework Agreement, the Group may, from time to time and subject to the execution of separate agreement setting out the specific terms of each engagement, appoint the Hanjiang Group to supervise the construction works of certain property projects of the Group.

#### *Basis for determining price and other terms under Transaction 2*

As set out in the 2015 Framework Agreement, the construction supervision fees payable by the Group to the Hanjiang Group and the terms thereto for supervising the construction of property development projects of the Group shall be determined with reference to the prices and terms offered by independent contractors for providing similar services and the latest standards and guidelines prescribed in the PRC, such as 建設工程監理與相關服務收費標準 (Construction Project Supervision and Related Services Fees Standard) published by 發展和改革委員會 (Development and Reform Commission) and 建設部 (Ministry of Construction) in 2007.

#### *Basis for determining and discussion of the Annual Caps under Transaction 2*

Set out below are the proposed Annual Caps of Transaction 2 for each of the three years ending 31 December 2017:

	<b>Proposed Annual Caps for the year ending 31 December</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Transaction 2</b>	RMB12,291,000	RMB8,005,000	RMB5,341,000
	(equivalent to	(equivalent to	(equivalent to
	approximately	approximately	approximately
	HK\$15,610,000)	HK\$10,166,000)	HK\$6,783,000)

In determining the Annual Caps for Transaction 2 under the 2015 Framework Agreement, the Group has taken into account (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the Company's estimation of the aggregate gross floor area of property units in Guangzhou, Beijing, Shanghai, Tianjin and other Eastern areas of the PRC, the construction work of which are expected to be supervised by the Hanjiang Group; and (iii) the historical data relating to the provision of the construction supervision service by the Hanjiang Group to the Group.

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In this connection, we have reviewed (i) a schedule setting out information on the estimated construction supervision fees to be payable by the Group to the Hanjiang Group for the three years ending 31 December 2017; (ii) a schedule setting out information on the historical construction supervision fees paid by the Group during the three years ended 31 December 2014; (iii) figures/information on the prevailing market rates for similar construction supervision works; (iv) construction supervision contracts, on a random basis, entered into between the Group and the Hanjiang Group during the three years ended 31 December 2014; and (v) reference materials for setting prices in construction supervision works, including the aforementioned standards and guidelines stipulated by the relevant government authorities.

In relation to the historical construction supervision fees paid by the Group to the Hanjiang Group during the three years ended 31 December 2014, we have obtained, on a random basis, copies of several construction supervision contracts made between the Group and the Hanjiang Group and compared that to the figures/information on the then market rates for similar construction supervision works as provided by the Company. The comparison shows that the historical construction supervision fees paid by the Group to the Hanjiang Group to be comparable to, or no less favorable than, such market rates.

In deriving the proposed Annual Caps for Transaction 2, the Company has estimated the average unit construction supervision fee payable and the aggregate gross floor areas for the property projects of the Group in Guangzhou, Beijing, Shanghai, Tianjin and other Eastern areas of the PRC, the construction supervision of which are probably to be performed by the Hanjiang Group for the three years ending 31 December 2017. To determine whether the estimated unit construction supervision fee payable by the Group to the Hanjiang Group for the three years ending 31 December 2017 are on normal commercial terms, we have compared the figures/information on the prevailing market rates for similar construction supervision works as provided by the Company to the estimated unit construction supervision fee payable by the Group to the Hanjiang Group for the three years ending 31 December 2017. Our comparison indicates that the estimated unit construction supervision fee payable by the Group to the Hanjiang Group falls within the market range. In addition, as advised by the Company, as the estimated unit construction supervision fee for various property projects of the Group would also need to be conformed to 建設工程監理與相關服務收費標準 (Construction Project Supervision and Related Services Fees Standard), which is the latest available standard published by the central government and generally applied in the PRC, the Company therefore also advised that before entering into a specific agreement for each engagement under Transaction 2 by the Group and the Hanjiang Group, the relevant fees for construction supervision works shall be required to be determined by making reference to, among others, the then available relevant standards. Having considered the above, we are of the view that the estimated unit construction supervision fee used in determining the Annual Caps of Transaction 2 for the three years ending 31 December 2017 are properly estimated.

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Furthermore, we have also reviewed the schedule in respect of the estimated aggregate gross floor areas for the property projects of the Group in Guangzhou, Beijing, Shanghai, Tianjin and other Eastern areas of the PRC, the construction supervision of which are probably to be performed by the Hanjiang Group for the three years ending 31 December 2017. As advised by the Company, the estimated aggregate gross floor areas for the property projects of the Group determined therein are prepared in accordance with the Group's property development schedule in the forth coming years. Having reviewed the schedule and discussed with the management of the Company basis of the preparation, we are of the view that such estimated aggregate gross floor areas are consistent with the Group's view on the market trend from 2015 to 2017.

Also, as the Group and the Hanjiang Group have established long-term business relationship and the construction supervision services provided by the Hanjiang Group have been satisfactory and therefore the continuing appointment of the Hanjiang Group to provide the Group with construction supervision services can further boost the overall operating efficiency and enhance cost effectiveness of the Group as a whole.

In light of the work above, we are of the view that Transaction 2 and the terms thereto are on normal commercial terms and the fees payable thereunder as well as the proposed Annual Caps for Transaction 2 are properly estimated and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### Transaction 3 — Electricity installation, low voltage system and intelligent building system installation, consultancy service for budgeting and cost control for construction work

Pursuant to the 2015 Framework Agreement, the Group may, from time to time and subject to the execution of separate agreement setting out the specific terms of each engagement, appoint the Hanjiang Group to carry out electricity installation, low voltage system and intelligent building system installation work of certain property development projects of the Group and to provide the Group with consultancy service on budgeting for tenders and cost control for its construction work.

Low voltage system and intelligent building system installation works include installation of visual walkie-talkie system, CCTV system, music broadcast system, security system, car park automatic management system, telephone system, mobile signal coverage system, television antenna system and procurement and installation of the related facilities; consultancy service on budgeting for tenders and construction cost control include evaluation and formulation of the base price for projects that the Group proposes to put up for public tender, preparation for the Group's tender invitations and assistance in the evaluation of the bidders, formulation of the budgets and formulation of cost control plans for the Group's property development projects.

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### *Basis for determining price and other terms under Transaction 3*

As set out in the 2015 Framework Agreement, the fees payable by the Group to the Hanjiang Group and the terms thereto for carrying out electricity installation works for the property development projects of the Group will be determined with reference to the prices and terms offered by Independent Third Parties for providing similar services and the latest standards and guidelines prescribed by the relevant governmental authorities of where the project is located, such as 廣東省建設工程計價依據 (2010年) (Costing Basis of Construction and Installation Works, Guangdong Province (2010)) published by 廣東省建設廳 (Construction Department of Guangdong Province) in 2010.

The fees payable by the Group to the Hanjiang Group and the terms thereto for carrying out low voltage system and intelligent building system installation works for the property development projects of the Group in the PRC will be determined with reference to the prices and terms offered by Independent Third Parties for providing similar services and the latest standards and guidelines prescribed by the relevant governmental authorities of where the project is located, such as 北京市建設工程計價依據 — 預算定額 (Costing Basis of Construction and Installation Works, Beijing Municipal — Base Price Budgeting) and 通信建設工程預算定額(2008年) (Basis for fee Calculation for Communication Construction Project (2008)) published by 北京市建設委員會 (Construction Committee of Beijing Municipal) in 2012 and 2008, respectively, for projects in Beijing, and 廣東省建設工程計價依據(2010年) (Costing Basis of Construction and Installation Works, Guangdong Province (2010) and 廣州地區建設工程常用材料綜合價格(2014年) (Comprehensive Pricing for Commonly Used Materials for Construction Projects in Guangzhou (2014)) published by 廣東省建設廳 (Construction Department of Guangdong Province) in 2010 and 2014, respectively, for projects in the Guangdong Province.

For procurement of equipment for the low voltage system and intelligent building system, a mark-up of 1%–3% on the price of the equipment procured will be charged.

The fees payable by the Group to the Hanjiang Group for the consultancy fee and the terms thereto for compiling budgets for tenders and construction cost control will be determined with reference to the latest standards and guidelines prescribed by the relevant governmental authorities of where the project is located, such as 招標代理服務收費標準 (Standard Fees for Tender Agencies) issued by the 北京市發展和改革委員會 (Beijing Municipal Commission of Development and Reform) in 2002 in respect of the provision of services to assist in the tender process and 工程造價諮詢服務收費管理暫行辦法 (Provisional Administrative Measures on Consultation Fees for Construction Budgeting) issued by 住房和城鄉建設部 (Ministry of Housing and Urban-rural Development) in 2007 in respect of the provision of budgeting services.

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### *Basis for determining and discussion of the Annual Caps under Transaction 3*

Set out below are the proposed Annual Caps of Transaction 3 for each of the three years ending 31 December 2017:

	<b>Proposed Annual Caps for the year ending 31 December</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Transaction 3</b>	RMB179,950,000 (equivalent to approximately HK\$228,536,000)	RMB125,068,000 (equivalent to approximately HK\$158,836,000)	RMB114,296,000 (equivalent to approximately HK\$145,156,000)

In determining the Annual Caps for Transaction 3 under the 2015 Framework Agreement, the Group has taken into account (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the management's estimated aggregate gross floor area of the property development projects in Guangzhou, Beijing, Shanghai, Tianjin and other Eastern areas of the PRC that the Group expects to complete and for which the Group proposes to appoint the Hanjiang Group to carry out the electricity installation and intelligent building system installation work and to provide consultancy service on budgeting and cost control for construction work for the relevant year; and (iii) the historical data relating to the Hanjiang Group's provision of the same services to the Group.

In this connection, we have reviewed (i) schedules setting out information on the (a) estimated electricity installation fees payable, (b) estimated low voltage system and intelligent building system installation fees payable, and (c) estimated consultancy service for budgeting and cost control for construction work fees payable, by the Group to the Hanjiang Group for the three years ending 31 December 2017; (ii) schedules setting out the (a) historical electricity installation fees paid, (b) historical low voltage system and intelligent building system installation fees paid, and (c) historical consultancy service for budgeting and cost control for construction work fees paid, by the Group to the Hanjiang Group during the three years ended 31 December 2014; (iii) figures/information on the prevailing market rates for similar installation and consultancy services; (iv) installation and consultancy contracts, on a random basis, entered into between the Group and the Hanjiang Group during the three years ended 31 December 2014; and (v) reference materials for setting the pricing basis and fees, including the aforementioned standards stipulated by the relevant government authorities.

In relation to the historical installation and consultancy fees paid by the Group to the Hanjiang Group during the three years ended 31 December 2014, we have obtained, on a random basis, copies of several installation and consultancy contracts made between the Group and the Hanjiang Group and compared that to the figures/information on the then market rates for similar installation and consultancy services as provided by the

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Company. The comparison shows that the historical installation and consultancy fees paid by the Group to the Hanjiang Group to be comparable to, or no less favorable than, such market rates.

In deriving the proposed Annual Caps for Transaction 3, the Company has estimated the average unit fee of electricity installation, low voltage system and intelligent building system installation and budgeting and cost control consultancy services as well as the relevant volume of works thereon, which are probably to be performed by the Hanjiang Group for the three years ending 31 December 2017. As advised by the Company, whilst the estimated unit fee of electricity installation and low voltage system and intelligent building system installation may vary as they are subject to a few factors: (i) the type of design; (ii) the type of materials consumed in the installation works; (iii) the class of the properties; and (iv) the reputation of the electricity companies, and the budgeting and cost control consultancy fee may vary as they are also subject to a few factors: (i) the form of consultation; (ii) the range of the consultancy services to be delivered; and (iii) the reputation of the consultancy firms, the overall effect after averaging them would be very close and hence the Company has estimated the unit fee of electricity installation, low voltage system and intelligent building system installation and budgeting and cost control consultancy services payable to the Hanjiang Group for the property projects of the Group, which are probably to be performed by the Hanjiang Group for the three years ending 31 December 2017, by taking the average of the estimated unit fee of these items for each of the property projects. To determine whether the average estimated unit fee of these items payable by the Group to the Hanjiang Group for the three years ending 31 December 2017 are on normal commercial terms, we have compared the figures/information on the prevailing market rates for similar installation and consultancy services as provided by the Company to the average estimated unit fee of electricity installation, low voltage system and intelligent building system installation and budgeting and cost control consultancy services payable by the Group to the Hanjiang Group for the three years ending 31 December 2017. Our comparison indicates that the estimated unit fee of these items falls within the market range. In addition, as advised by the Company, as the estimated installation and related fees and estimated budgeting and cost control consultancy fees for various property projects of the Group would also need to be conformed to the latest standards and guidelines prescribed by the relevant governmental authorities of where the project is located, which is the latest available standard published by the central government and generally applied in the PRC, the Company therefore also advised that before entering into a specific agreement for each installation and/or budgeting and cost control consultancy engagement under Transaction 3 by the Group and the Hanjiang Group, the relevant installation fees and/or budgeting and cost control consultancy fees shall be determined by making reference to, among others, the then available relevant standards. Having considered the above, we are of the view that the estimated unit fee of electricity installation, low voltage system and intelligent building system installation and

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budgeting and cost control consultancy services to be payable by the Group to the Hanjiang Group and used in determining the Annual Caps of Transaction 3 for the three years ending 31 December 2017 are properly estimated.

Furthermore, we have also reviewed schedules in respect of the relevant electricity installation works, low voltage system and intelligent building installation works and budgeting and cost control consultancy services, which are probably to be performed by the Hanjiang Group for the three years ending 31 December 2017. As advised by the Company, the amount of these works and services are determined in accordance with the Group's property development schedule in the forth coming years. Having reviewed the schedules and discussed with the management the basis of the preparation, we are of the view that the amount of such works and services are consistent with the Group's view on the market trend from 2015 to 2017.

Also, as the Group and the Hanjiang Group have established long-term business relationship and the installation and related works and budgeting and cost control consultancy services provided by the Hanjiang Group have been satisfactory and therefore the continuing appointment of the Hanjiang Group to provide the Group with such works and services can further boost the overall operating efficiency and enhance cost effectiveness of the Group as a whole.

In light of the work above, we are of the view that the Transaction 3 and the terms thereto are on normal commercial terms and the fees payable thereunder as well as the proposed Annual Caps for Transaction 3 are properly estimated and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### Transaction 4 — Office lease

Pursuant to the 2015 Framework Agreement, the Hanjiang Group may, from time to time, and subject to the execution of separate agreement setting out the specific terms of each lease arrangement, lease certain premises in Guangzhou and Shanghai to the Group for use as offices.

### *Basis for determining rents and other terms under Transaction 4*

As set out in the 2015 Framework Agreement, the rents payable by the Group to the Hanjiang Group and the terms thereto will be determined with reference to the prevailing market rents and the other terms available to the Group for leasing premises in the same building (or in the event that no such lease is available for reference in the same building, reference should be made to the leases of premises of similar types and grades in the same region) from Independent Third Parties.

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### *Basis for determining and discussion of the Annual Caps under Transaction 4*

Set out below are the proposed Annual Caps of Transaction 4 for each of the three years ending 31 December 2017:

	<b>Proposed Annual Caps for the year ending 31 December</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Transaction 4</b>	RMB9,296,000 (equivalent to approximately HK\$11,806,000)	RMB9,296,000 (equivalent to approximately HK\$11,806,000)	RMB10,052,000 (equivalent to approximately HK\$12,766,000)

In determining the Annual Caps for Transaction 4 under the 2015 Framework Agreement, the Group has taken into account (i) the proposed lease premises identified; and (ii) the preliminary estimated rental for the proposed leases assessed based on the relevant pricing basis.

In this connection, we have reviewed (i) a schedule setting out the information on the location and aggregate size of the relevant premises to be leased by the Group from the Hanjiang Group in Guangzhou and Shanghai and the respective estimated rents payable by the Group to the Hanjiang Group for the relevant premises for three years ending 31 December 2017; (ii) a schedule setting out the information on the historical rents paid by the Group to the Hanjiang Group for commercial premises leased during the three years ended 31 December 2014; and (iii) the rental payment and records that were made by the Group to the Hanjiang Group for commercial premises owned by the Hanjiang Group during the three years ended 31 December 2014.

In relation to the historical rents paid on commercial premises by the Group to the Hanjiang Group during the three years ended 31 December 2014, we have obtained the rental payment and records that were made by the Group to the Hanjiang Group and compared the rental rates in such records to the market rates or rental rates quoted by property agents on similar premises in similar proximity to the relevant premises. The comparison shows that the historical rental payments made by the Group to the Hanjiang Group to be comparable to, or no less favorable than, such market rates.

To determine whether the estimated rents payable by the Group to the Hanjiang Group for leasing office premises for the three years ending 31 December 2017 are on normal commercial terms, we have also conducted research on the prevailing market rates and/or rental rates quoted by property agents for similar premises in similar proximity to the relevant premises in Guangzhou and Shanghai and compared that against the estimated rents for the relevant premises in Guangzhou and Shanghai which the Hanjiang Group agrees to lease to the Group for use as office. Based on our comparison and also taken into account of factors such as the quality and the floor level



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of the relevant premises to be leased by the Group and the comparable properties, we note that the rents payable by the Group to the Hanjiang Group are in line with the prevailing market rates.

In light of the work above, we are of the view that Transaction 4 and the terms thereto are on normal commercial terms and the rents payable thereunder as well as the proposed Annual Caps for Transaction 4 are properly estimated and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### Transaction 5 — Informatization and computerization related services

Pursuant to the 2015 Framework Agreement, the Group may, from time to time, and subject to the execution of separate agreement setting out the specific terms of each engagement, appoint the Hanjiang Group to set up information technology infrastructure and maintain servers of the Group, to supply information and computer system related products and facilities to the Group and to provide the Group with consultancy service, staff training and technical support for the information technology and computer systems of the Group.

#### *Basis for determining price and other terms under Transaction 5*

As set out in the 2015 Framework Agreement, the fees payable by the Group to the Hanjiang Group for the set up of the informatization infrastructure and maintenance of servers of the Group and the provision of consultancy service, staff training and technical support for the information technology and computer systems of the Group, the purchase price/rents payable by the Group for the purchase/lease of products and facilities from the Hanjiang Group (collectively referred to as the “**informatization and computerization related services**”) and the terms thereto shall be determined with reference to the prices and terms offered by Independent Third Parties for providing similar services/products.

#### *Basis for determining and discussion of the Annual Caps under Transaction 5*

	<b>Proposed Annual Caps for the year ending 31 December</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Transaction 5</b>	RMB60,402,000 (equivalent to approximately HK\$76,710,000)	RMB63,422,000 (equivalent to approximately HK\$80,546,000)	RMB66,592,000 (equivalent to approximately HK\$84,572,000)

In determining the Annual Caps for Transaction 5 under the 2015 Framework Agreement, the Group has taken into account (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the nature of services, products and facilities to be

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provided by the Hanjiang Group to the Group based on the Group's plans; (iii) the historical data for the provision of informatization and computerization related services by the Hanjiang's Group to the Group; and (iv) the general proportion of turnover to expenses incurred on information technology in the property development industry in the PRC.

In this connection, we have reviewed (i) a schedule setting out information on the estimated service fees payable by the Group to the Hanjiang Group for the informatization and computerization related services for the three years ending 31 December 2017; (ii) a schedule setting out information on the historical fees paid by the Group for informatization and computerization related services for each projects during the three years ended 31 December 2014; (iii) figures/information on the prevailing market rates for similar informatization and computerization related services; and (iv) contracts on informatization and computerization related services, on a random basis, entered into between the Group and the Hanjiang Group during the three years ended 31 December 2014.

In relation to the historical fees paid by the Group to the Hanjiang Group on informatization and computerization related services during the three years ended 31 December 2014, we have obtained, on a random basis, copies of several contracts on informatization and computerization related services made between the Group and the Hanjiang Group and compared that to the figures/information on the then market rates for similar informatization and computerization related services as provided by the Company. The comparison shows that the historical fees paid by the Group to the Hanjiang Group on informatization and computerization related services to be comparable to, or no less favorable than, such market rates.

In deriving the proposed Annual Caps for Transaction 5, the Company has estimated the service fees payable for informatization and computerization related services which are to be required by the Group for the three years ending 31 December 2017 based on its internal estimation. As advised by the Company, the estimated fees on informatization and computerization related services may vary as they are subject to the nature of services and types of products and facilities to be provided by the Hanjiang Group to the Group based on the Group's plans. To determine whether such estimated fees on informatization and computerization related services for the three years ending 31 December 2017 are on normal commercial terms, we have compared them to the figures/information on the prevailing market rates for similar informatization and computerization related services as provided by the Company. Our comparison indicates that the estimated service fees payable by the Group to the Hanjiang Group falls within the market range. Having considered the above, we are of the view that the estimated fees on informatization and computerization related services used in determining the Annual Caps of Transaction 5 for the three years ending 31 December 2017 are properly estimated.

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Furthermore, we have also enquired the nature and description of the relevant information related services to be rendered and/or the products or facilities to be leased out by the Hanjiang Group for the three years ending 31 December 2017. As advised by the Company, the relevant informatization and computerization related services that are to be carried out by the Hanjiang Group for the three years ending 31 December 2017 are determined in accordance with the Group's expected technology requirements from 2015 to 2017.

Also, as the Group and the Hanjiang Group have established long-term business relationship and the informatization and computerization related services provided by the Hanjiang Group have been satisfactory and therefore the continuing appointment of the Hanjiang Group to provide the Group with such informatization and computerization related services can further boost the overall operating efficiency and enhance cost effectiveness of the Group as a whole.

In light of the work above, we are of the view that Transaction 5 and the terms thereto are on normal commercial terms and the fees payable thereunder as well as the proposed Annual Caps for Transaction 5 are properly estimated and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### ***Services to be provided/premises to be leased by the Group to the Hanjiang Group pursuant to the 2015 Framework Agreement***

#### ***Transaction 6 — Building design***

Pursuant to the 2015 Framework Agreement, the Hanjiang Group may, from time to time and subject to the execution of separate agreement setting out the specific terms of each engagement, appoint the Group to carry out construction and building design works for the property development projects of the Hanjiang Group.

#### ***Basis for determining price and other terms under Transaction 6***

As set out in the 2015 Framework Agreement, the building design fees payable by the Hanjiang Group to the Group and the terms thereto shall be determined by the parties with reference to the prices and terms offered by independent building design service providers for undertaking similar design projects and the latest standards and guidelines prescribed by the relevant local authority on the fees and other terms for providing similar services, if any.

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*Basis for determining and discussion of the Annual Caps under Transaction 6*

	<b>Proposed Annual Caps for the year ending 31 December</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Transaction 6</b>	RMB8,852,000 (equivalent to approximately HK\$11,242,000)	RMB7,009,000 (equivalent to approximately HK\$8,901,000)	RMB6,742,000 (equivalent to approximately HK\$8,562,000)

In determining the Annual Caps for Transaction 6 under the 2015 Framework Agreement, the Group has taken into account (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) the aggregate sizes and types of the construction and building projects of the Hanjiang Group for which the design work is proposed to be assigned to the Group in the relevant years; and (iii) the historical data relating to the Group carrying out design works for the Hanjiang Group.

In this connection, we have reviewed (i) a schedule setting out the information on the estimated building design fees receivable by the Group from the Hanjiang Group for carrying out the building design works for certain property projects of the Hanjiang Group for the three years ending 31 December 2017; (ii) a schedule setting out information on the historical building design fees received by the Group from the Hanjiang Group during the three years ended 31 December 2014; (iii) figures/information on the prevailing market rates for similar building design services; and (iv) building design service contracts, on a random basis, entered into between the Group and the Hanjiang Group during the three years ended 31 December 2014.

In relation to the historical building design fees received by the Group from the Hanjiang Group during the three years ended 31 December 2014, we have obtained, on a random basis, copies of several building design service contracts made between the Group and the Hanjiang Group and compared that to the figures/information on the then market rates for similar building design services as provided by the Company. The comparison shows that the historical building design fees received by the Group from the Hanjiang Group to be comparable to, or no less favorable than, such market rates.

In deriving the proposed Annual Caps for Transaction 6, the Company has estimated the average unit building design fee and the volume of building design work for the Hanjiang Group for the three years ending 31 December 2017. To determine whether the estimated average unit building design fee receivable by the Group from the Hanjiang Group for the three years ending 31 December 2017 are on normal commercial terms, we have compared the figures/information on the prevailing market rates for similar building design services as provided by the Company to the estimated unit building design fee receivable by the Group from the Hanjiang Group for the three years ending 31 December 2017. Our comparison indicates that the estimated unit building

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design fee receivable by the Group from the Hanjiang Group falls within the market range. Having considered the above, we are of the view that the estimated unit building design fees used in determining the Annual Caps of Transaction 6 for the three years ending 31 December 2017 are properly estimated.

Furthermore, we have also reviewed the volume of building design work for the Hanjiang Group that are to be carried out by the Group for the three years ending 31 December 2017. This is estimated based on the Group's anticipation of the demand of the building design works of the Group for the Hanjiang Group. As advised by the Company, the Hanjiang Group has been satisfied with the building design works in the past and has appointed the Group to continue to carry out building design work.

In light of the work above, we are of the view that Transaction 6 and the terms thereto are on normal commercial terms and the fees thereunder as well as the proposed Annual Caps for Transaction 6 are properly estimated and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### Transaction 7 — Management of vacant properties and delivery of sold property units to purchasers

Pursuant to the 2015 Framework Agreement, the Hanjiang Group may, from time to time and subject to the execution of separate agreement setting out the specific terms of each engagement, appoint the Group to manage vacant properties developed by the Hanjiang Group and to handle the delivery of sold property units of the Hanjiang Group in the Guangdong Province, Beijing, Xi'an and Shanghai to purchasers.

### *Basis for determining price and other terms under Transaction 7*

As set out in the 2015 Framework Agreement, the management fees payable by the Hanjiang Group to the Group and the terms thereto shall be determined with reference to the related costs of the Group, the prevailing market rates charged by and the other terms offered by independent property management service providers for providing similar services for properties of similar grades in the same region and the latest standards on property management and the property pricing guidelines prescribed by the local government of where the particular property is located. These include 關於物業服務收費管理辦法 (Measures on the Administration of Property Service Charges) jointly issued by 廣東省物價局 (Price Control Administrative Bureau of Guangdong Province) and 廣東省住房城鄉建設廳 (Department of Housing and Urban-rural Development of Guangdong Province) in 2010, 北京市物業服務收費管理辦法 (Measures on the Administration of Property Service Charges, Beijing Municipal) issued by 發展和改革委員會 (Development and Reform Commission) in 2005, 陝西省住宅小區物業服務指導標準 (Guiding Standard for Property Services in Small Residential Communities, Shaanxi Province) issued by 陝西省住房和城鄉建設廳 (Department of Housing and Urban-rural Development of Shaanxi Province) in 2011, 陝西省物業服務收費管理辦法

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(Measures on the Administration of Property Service Charges, Shaanxi Province) jointly issued by 陝西省物價局 (Price Control Administration Bureau of Shaanxi Province) and 陝西省住房和城鄉建設廳 (Department of Housing and Urban-rural Development of Shaanxi Province) in 2011, 上海市住宅物業服務分等收費標準 (Charging Standard by Grades for Residential Property Service Charges, Shanghai Municipal) and 上海市住宅物業服務分等收費管理暫行辦法 (Temporary Measures on the Administration of Residential Property Service Charges by Grading, Shanghai Municipal) jointly issued by 上海市物價局 (Price Control Administrative Bureau of Shanghai Municipal) and 上海市房屋土地資源管理局 (Land Resources & Housing Administrative Bureau of Shanghai Municipal) in 2005.

*Basis for determining and discussion of the Annual Caps under Transaction 7*

	<b>Proposed Annual Caps for the year ending 31 December</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Transaction 7</b>	RMB18,910,000 (equivalent to approximately HK\$24,016,000)	RMB18,310,000 (equivalent to approximately HK\$23,254,000)	RMB17,710,000 (equivalent to approximately HK\$22,492,000)

In determining the Annual Caps for Transaction 7 under the 2015 Framework Agreement, the Group has taken into account (i) the relevant pricing basis under the 2015 Framework Agreement; (ii) Hanjiang's estimation of the aggregate gross floor area of the Hanjiang Group's property development projects for which the Hanjiang Group proposes to engage the Group to provide the management service and the number of property units available for sale in the relevant years; and (iii) the historical data relating to the Group's provision of management service to the Hanjiang Group for its vacant properties and handling delivery of sold property units of the Hanjiang Group to purchasers.

In this connection, we have reviewed (i) a schedule setting out information on the estimated management fees receivable by the Group from the Hanjiang Group for providing management services (including services relating to delivery of sold properties) to vacant properties in Guangdong Province, Beijing, Xi'an and Shanghai for the three years ended 31 December 2017; (ii) a schedule setting out information on the historical management fees received by the Group from the Hanjiang Group during the three years ended 31 December 2014; (iii) figures/information on the prevailing market rates for providing similar property management services to vacant properties of similar grades in the vicinity; (iv) vacant property management fee payments and records, on a random basis, made between the Group and the Hanjiang Group during the three years ended 31 December 2014; and (v) reference materials for setting management fees, including the aforementioned standards and guidelines stipulated by the relevant government authorities.

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In relation to the historical management fees received by the Group from the Hanjiang Group during the three years ended 31 December 2014, we have obtained, on a random basis, vacant property management fee payments and records made between the Group and the Hanjiang Group and compared that to the figures/information on the then market rates for providing similar management of vacant properties services as provided by the Company. The comparison shows that the historical management fees received by the Group from the Hanjiang Group to be comparable to, or no less favorable than, such market rates.

In deriving the proposed Annual Caps for Transaction 7, the Company has estimated the average unit management fee receivable and the estimated aggregated gross floor areas of the vacant properties of the Hanjiang Group in Guangdong Province, Beijing, Xi'an and Shanghai, the management services of which are probably to be rendered by the Group for the three years ending 31 December 2017. To determine whether the estimated unit management fee receivable by the Group from the Hanjiang Group for the three years ending 31 December 2017 are on normal commercial terms, we have compared such estimates to the figures/information on the prevailing market rates for providing similar property management services to vacant properties of similar grades in the vicinity for the three years ending 31 December 2017 as provided by the Company. Our comparison indicates that the estimated average unit management fee receivable by the Group falls within the market range. In addition, as advised by the Company, as the estimated unit management fee for various vacant property projects of the Hanjiang Group in the Guangdong Province, Beijing, Xi'an and Shanghai would also need to be conformed to the standards on property management fees and related costs prescribed by the local authorities and the property pricing guidelines given by the relevant government authorities of where the vacant properties are located, which are the latest available relevant standards published by the local governments and/or generally applied in the PRC and the Company therefore also advised that before entering into a specific agreement for each engagement under Transaction 7 by the Group and the Hanjiang Group, the relevant fees for management services shall also be required to be determined by making reference to, among others, the then available relevant standards. Having considered the above, we are of the view that the estimated average unit management fee used in determining the Annual Caps of Transaction 7 for the three years ending 31 December 2017 are properly estimated.

Furthermore, we have also reviewed the schedule of the estimated aggregated gross floor areas of the vacant properties of the Hanjiang Group in Guangdong Province, Beijing, Xi'an and Shanghai, the management services of which are probably to be rendered by the Group for the three years ending 31 December 2017. This is estimated based on the Group's knowledge of the Hanjiang Group's property development plan for the management of their vacant property works in the forth coming years. We have discussed with the management the basis of the preparation and are satisfied with the estimation.

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In light of the work above, we are of the view that the Transaction 7 and the terms thereto are on normal commercial terms and the fees receivable thereunder as well as the proposed Annual Caps for Transaction 7 are properly estimated and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### Transaction 8 — Shop and office lease

Pursuant to the 2015 Framework Agreement, the Group may, from time to time and subject to the execution of separate agreement setting out the specific terms of each lease agreement, to lease certain premises located in Guangzhou to the Hanjiang Group for use as shops and offices.

#### *Basis for determining rents and other terms under Transaction 8*

As set out in the 2015 Framework Agreement, the rents payable by the Hanjiang Group to the Group and the terms thereto shall be determined with reference to the market rents received and other terms offered by the Group to other lessees who are Independent Third Parties for leasing premises in the same building, or in the event that no such lease is available for reference in the same building, reference should be made to the lease of premises of similar types and grades in the same region.

#### *Basis for determining and discussion of the Annual Caps under Transaction 8*

	<b>Proposed Annual Caps for the year ending 31 December</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Transaction 8</b>	RMB2,606,000 (equivalent to approximately HK\$3,310,000)	RMB2,443,000 (equivalent to approximately HK\$3,103,000)	RMB2,524,000 (equivalent to approximately HK\$3,205,000)

In determining the Annual Caps for Transaction 8 under the 2015 Framework Agreement, the Group has taken into account (i) the proposed leased premises identified; and (ii) the preliminary estimated rents of the proposed leases.

In this connection, we have reviewed (i) a schedule setting out the information on the estimated rents receivable by the Group from the Hanjiang Group for leasing the relevant shop and office premises in Guangzhou for the three years ended 31 December 2017; (ii) a schedule setting out the information on the historical rents received by the Group from the Hanjiang Group for leasing commercial premises in Guangzhou during the three years ended 31 December 2014; (iii) information on the prevailing market rates or rental rates quoted by property agents for leasing similar shop premises in the vicinity in Guangzhou; and (iv) tenancy agreements, on a random basis, entered into between the



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Group and the Hanjiang Group as well as other independent tenants for leasing commercial premises of similar grades in similar vicinity for the three years ended 31 December 2014.

In relation to the historical rents paid by the Hanjiang Group to the Group during the three years ended 31 December 2014, we have obtained the relevant lease agreements, on a random basis, entered into between the Group and the Hanjiang Group and compared the rental rates in such lease agreements to the market rates of similar premises in similar proximity to the relevant premises as well as to similar leases offered by the Group to other Independent Third Parties. The comparison shows that the historical rents paid by the Hanjiang Group to the Group in this respect to be comparable to, or no less favorable than, such market rental rates.

To determine whether the estimated rents payable by the Hanjiang Group to the Group for the relevant shop and office premises in Guangzhou for the three years ending 31 December 2017 are on normal commercial terms, we have compared the prevailing market rates or price quotations obtained from independent property agents for similar premises in similar proximity as well as similar leases offered by the Group to other Independent Third Parties to the estimated rents for the relevant shop and office premises in Guangzhou which the Group plans to lease to the Hanjiang Group. Based on our comparison, we note that the rents payable by the Hanjiang Group to the Group are in line with the prevailing market rates.

In light of the work above, we are of the view that Transaction 8 and the terms thereto are on normal commercial terms and the rents receivable thereunder as well as the proposed Annual Caps for Transaction 8 are properly estimated and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

**LETTER FROM BEIJING SECURITIES**

**RECOMMENDATION**

Having considered the principal factors and reasons referred to above, we are of the opinion that the terms of the 2015 Framework Agreement, the Transactions and the Annual Caps are determined properly and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favor of the resolution(s) to be proposed at the SGM to approve the 2015 Framework Agreement, the Transactions and the Annual Caps.

Yours faithfully,  
For and on behalf of  
**Beijing Securities Limited**  
**Charles Li**  
*Director*

## 1. 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.

## 2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of the Directors and the chief executive of the Company was taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules were as follows:

### The Company — Long position in the Shares

Name of Director	Nature of interest		Approximate percentage of Shares in issue
	Personal	Corporate	
Mr. Chu Mang Yee	—	1,229,003,809 <sup>(1)</sup>	54.77%
Mr. Au Wai Kin	—	34,500,000 <sup>(2)</sup>	1.54%

*Notes:*

1. Mr. Chu Mang Yee held 1,160,363,809 Shares through Sounda and 68,640,000 Shares through Hopson Education Funds.
2. Mr. Au Wai Kin held 34,500,000 Shares through a company wholly-owned and controlled by him.

**The Company - Long position in debentures***9.875% senior notes due 2018*

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Principal amount</b>
Mr. Lee Tsung Hei, David	Personal	US\$200,000
Mr. Tan Leng Cheng, Aaron	Personal	US\$200,000

Save as disclosed above, none of the Directors or the 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 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 to be notified to the Company and the Stock Exchange.

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 February 2015, 惠州市亞新房地產有限公司 (Huizhou Yaxin Real Estate Company Limited) ("**Huizhou Yaxin**"), a wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with Ms. Chu Kam Lai and Mr. Chen Zhong, pursuant to which Huizhou Yaxin agreed to purchase, and Ms. Chu Kam Lai and Mr. Chen Zhong agreed to sell, 100% equity interest in 廣東中福地產投資有限公司 (Guangdong Zhongfu Real Estate Investment Co., Ltd.) ("**Guangdong Zhongfu**") at the total consideration of approximately RMB53,500,000. 惠東中福置業有限公司 (Huidong Zhongfu Real Estate Co., Ltd), a wholly-owned subsidiary of Guangdong Zhongfu, owns the land use rights in respect of and the legal title to a parcel of bare land located at Changkeng, Yapojiao, Chuan'ao Village, Renshan Town, Huidong County, Huizhou City, Guangdong Province, the PRC with a total site area of 69,971.96 sq.m..

Save as disclosed above, none of the Directors had any interest, direct or indirect, in any asset which, since 31 December 2014, being the date to which the latest published audited financial statements of the Group were made up, had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group as at the Latest Practicable Date.

Save for Mr. Chu who is a director of Sounda, 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.

### 3. SERVICE AGREEMENTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any 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).

### 4. 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 2014, being the date to which the latest published audited financial statements of the Group were made up.

### 5. EXPERT

The following is the qualification of the expert who has given an opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Beijing Securities	a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Beijing Securities did not have any shareholding, direct or indirect, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Beijing Securities did not have any interest, direct or indirect, in any assets which had since 31 December 2014, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Beijing Securities has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear respectively.

### 6. COMPETING INTERESTS

Mr. Lee Tsung Hei, David, an independent non-executive Director, is a director of various companies which are engaged in the property development and property investment business. Mr. Lee is also the Chairman of the Investment Committee of a fund which is engaged in the property development and property investment business.

Save as disclosed above, none of the Directors and his/her respective close associates had an interest in a business apart from the Company's business which competed or was likely to compete, either directly or indirectly, with the Group's business as at the Latest Practicable Date.

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copy 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 12 May 2015 to 27 May 2015 (both dates inclusive):

- (a) the 2012 Framework Agreement; and
- (b) the 2015 Framework Agreement.

**8. MISCELLANEOUS**

- (a) 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, 33rd Floor, Jardine House, 1 Connaught Place, Central, Hong Kong.
- (b) 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, Hong Kong.
- (c) The English text of this circular will prevail over the Chinese text in the event of inconsistency.



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>*

**NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a special general meeting of Hopson Development Holdings Limited (“**Company**” together with its subsidiaries, the “**Group**”) will be held at Gloucester Room, 2/F., Mandarin Oriental, 5 Connaught Road Central, Central, Hong Kong on Friday, 12 June 2015 at 10:30 a.m. (or so soon after the annual general meeting of the Company to be held on the same day and at the same place at 10:00 a.m. shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution which will be proposed as an ordinary resolution:

**ORDINARY RESOLUTION**

“**THAT** the framework agreement dated 22 April 2015 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) (“**Hanjiang**” together with its subsidiaries, its associated companies and close associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited), the “**Hanjiang Group**”) (“**2015 Framework Agreement**”), and the transactions to be entered into between the Group and the Hanjiang Group contemplated thereunder (“**Transactions**”) as set out in the circular of the Company dated 12 May 2015 (the “**Circular**”), a copy of which is tabled at the meeting for identification purpose, be and are hereby approved, confirmed and ratified; and that the maximum aggregate annual transaction amount for the Transactions collectively under the 2015 Framework Agreement for each of the three financial years ending 31 December 2017 as set out in the Circular be approved; and any one director of the Company as authorised by its board of directors be and is hereby authorised to sign, execute, perfect, deliver and do all such documents, deeds, acts, matters and things on behalf of the Company as he may in his discretion consider necessary or desirable for the purposes of or in connection with the implementation of the 2015 Framework Agreement and the Transactions.”

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

Hong Kong, 12 May 2015

\* *for identification purposes only*

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

*Notes:*

- (1) Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to attend and vote in his stead. Any such member who is a holder of two or more shares may appoint more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company but must be present in person to represent the member.
- (2) In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notorially certified copy of that power of attorney or other authority, must be deposited at the principal office of the Company at Suites 3305-3309, 33rd Floor, Jardine House, 1 Connaught Place, Central, Hong Kong not less than 48 hours before the time appointed for holding the said meeting or any adjournment thereof.
- (3) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.