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If you have sold or transferred all your shares in Hopson Development Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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合 生 創 展 集 團 有 限 公 司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

(Stock Code: 754)

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE AND CONNECTED TRANSACTION

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



TAIFOOK CAPITAL LIMITED

TAIFOOK CAPITAL LIMITED

A letter from the board of directors of Hopson Development Holdings Limited is set out on pages 4 to 10 of this circular. A letter from the independent board committee of Hopson Development Holdings Limited is set out on page 11 of this circular. A letter from Taifook Capital Limited containing its advice to the independent board committee and independent shareholders of Hopson Development Holdings Limited is set out on pages 12 to 18 of this circular.

A notice convening the SGM to be held at 29/F, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong on 25 September 2007 (Tuesday) at 10:00 a.m. is set out on page 29 of this circular.

Whether or not you are able to attend the meeting in person, you are requested to complete the accompanying proxy form 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 of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

* for identification purposes only

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DEFINITIONS

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

“Advance Payment”	the sum of RMB559.6 million (equivalent to approximately HK\$576.91 million), representing 40% of the Land Transfer Price paid by GD Zhujiang on 28 July 2007 together with such other sums (if any) actually paid by GD Zhujiang pursuant to the Assignment
“Agreement”	the conditional equity purchase agreement dated 17 August 2007 entered into between Long Meng and GD Zhujiang
“Assignment”	土地使用權轉讓協議書 (Agreement for assignment of the land use right of land) in respect of the Land dated 28 July 2007 entered into between GD Zhujiang and Nanjing Academy
“associate”	the meaning given to that term in the Listing Rules
“Board”	the board of Directors
“Company”	Hopson Development Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the entire equity interest in Shanghai Dazhan as contemplated under the Agreement
“Directors”	the directors of the Company
“DTZ”	DTZ Debenham Tie Leung Limited, an independent valuer
“Equity Interest Consideration”	the sum of RMB10 million (equivalent to approximately HK\$10.31 million), being the consideration payable by the Group for the acquisition of the entire equity interest in Shanghai Dazhan under the Agreement
“GD Zhujiang”	廣東珠江投資有限公司(Guangdong Zhujiang Investment Company Limited), a company established in the PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising Messrs. Yuen Pak Yiu, Philip, Lee Tsung Hei, David and Wong Shing Kay, Oliver, established to review and consider the Agreement

DEFINITIONS

“Independent Shareholders”	Shareholders excluding Sounda and its associates
“Land”	a piece of vacant land bearing lot no. NS-1 and situated at No. 1157 Xiangyin Road, Yangpu District, Shanghai, PRC
“Land Transfer Price”	RMB1,399 million (equivalent to approximately HK\$1,442.27 million), being the price at which the Land was sold
“Land No. 292”	a piece of land recently acquired by the Group which is situated at 292 Jiefang, Yangpu District, Shanghai, PRC and adjacent to the Land with a site area of approximately 24,799 sq.m.
“Latest Practicable Date”	31 August 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Meng”	上海龍盟房地產開發有限公司 (Shanghai Long Meng Real Estate Development Co., Ltd.), a company incorporated in the PRC and is indirectly wholly-owned by the Company
“Mr. Chu”	Mr. Chu Mang Yee, an executive Director and the chairman of the Company
“Nanjing Academy”	中國人民解放軍南京政治學院上海分院 (Nanjing Academy of Political Science of the People’s Liberation Army of the PRC, Shanghai Branch)
“PRC” or “China”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	a special general meeting of the Company to be held to approve the Transaction
“Shanghai COFTEC”	Shanghai Commission of Foreign Trade and Economic Cooperation
“Shanghai Dazhan”	上海大展投資管理有限公司 (Shanghai Dazhan Investment Management Company Limited), a company established in the PRC and is wholly-owned by GD Zhujiang

DEFINITIONS

“Shanghai Land Bureau”	上海市房屋土地資源管理局 (Shanghai Municipal Housing and Land Resources Management Bureau)
“Shareholders”	shareholders of the Company
“Sounda”	Sounda Properties Limited, a company incorporated in the British Virgin Islands
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taifook”	Taifook Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction. Taifook is a licensed corporation under the SFO to carry out Type 6 regulated activity (advising on corporate finance) under the SFO
“Transaction”	the transactions contemplated under the Agreement
“Transfer Contract”	國有土地使用權出讓合同 (Contract for the transfer of the land use right of State-owned land) in respect of the Land
“Valuation Report”	the valuation report dated 6 September 2007 and prepared by DTZ on the Land
“HK\$”	Hong Kong dollars
“RMB”	Renminbi

For illustrative purpose of this circular, RMB0.97 = HK\$1.00



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HOPSON DEVELOPMENT HOLDINGS LIMITED

(Stock Code: 754)

(Incorporated in Bermuda with limited liability)

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

Executive Directors:

CHU Mang Yee (Chairman)
XIANG Bin (Deputy Chairman)
WU Jiesi (Chief Executive Officer)
TAM Lai Ling (Chief Financial Officer)
AU Wai Kin
CHEN Chang Ying
XIAO Yan Xia

Principal Office:

Suites 3305-3309
33/F, Jardine House
1 Connaught Place
Central
Hong Kong

Non-executive Director:

SHAFRAN, Steven

Independent Non-executive Directors:

YUEN Pak Yiu, Philip
LEE Tsung Hei, David
WONG Shing Kay, Oliver

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

6 September 2007

To the Shareholders

Dear Sir and Madam,

1. INTRODUCTION

It was announced on 17 August 2007 that the Group entered into the Agreement on 17 August 2007 with GD Zhujiang pursuant to which the Group conditionally agrees to acquire the entire equity interest in Shanghai Dazhan from GD Zhujiang. Shanghai Dazhan is a wholly-owned subsidiary of GD Zhujiang.

GD Zhujiang is a substantial shareholder of certain subsidiaries of the Company and the associate of the brother of Mr. Chu. Accordingly, GD Zhujiang is a connected person of the Company under the Listing Rules. Based on the relevant percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules, the Transaction constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. As the Transaction constitutes a discloseable

* for identification purposes only

LETTER FROM THE BOARD

and connected transaction for the Company pursuant to Rules 14.08 and 14A.16(5), it is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Completion is conditional upon, *inter alia*, the approval of the Independent Shareholders voting at the SGM. Sounda, which is a substantial shareholder of the Company, and its associates will abstain from voting and the votes of the Independent Shareholders will be taken by poll.

The purpose of this circular is to (i) provide Shareholders with further information relating to the Agreement; (ii) set out the advice of Taifook to the Independent Board Committee and the Independent Shareholders and the recommendation of the Independent Board Committee in respect of the terms of the Agreement; and (iii) give the Shareholders notice of the SGM and other information in accordance with the requirements of the Listing Rules.

2. THE TRANSACTION

A. Background

On 20 July 2007, GD Zhujiang made a successful bid of RMB1,399 million (equivalent to approximately HK\$1,442.27 million) for the Land at a public auction organized and held by Nanjing Academy, the owner of the land use right of the Land. On 28 July 2007, GD Zhujiang entered into the Assignment with Nanjing Academy. The Land is situated in Yangpu District, Shanghai with a site area of approximately 23,522.9 sq.m. and is permitted for commercial and office purposes.

Shanghai Dazhan, a wholly-owned subsidiary of GD Zhujiang, will enter into the Transfer Contract with Shanghai Land Bureau to acquire the land use right of the Land. Shanghai Dazhan was established on 21 May 2007 with a business scope of, among other things, real estate development, property and hotel management.

Pursuant to the Assignment, GD Zhujiang paid up 40% of the Land Transfer Price, being RMB559.6 million (equivalent to approximately HK\$576.91 million) on 28 July 2007.

On 17 August 2007, the Group entered into the Agreement with GD Zhujiang pursuant to which the Group conditionally agrees to acquire the entire equity interest in Shanghai Dazhan from GD Zhujiang together with the land use right of the Land. Upon Completion, Shanghai Dazhan will become a wholly-owned subsidiary of the Company.

LETTER FROM THE BOARD

B. Principal terms of the Agreement

- Date: 17 August 2007
- Parties: Long Meng as the purchaser; and
GD Zhujiang as the seller
- Interests to be Acquired: Subject to the satisfaction of the conditions precedent and the conditions subsequent specified in the Agreement, GD Zhujiang agrees to sell and Long Meng agrees to purchase the entire equity interest in Shanghai Dazhan together with the land use right of the Land.
- Total Financial Commitment: As set out in paragraph C below.
- Conditions Precedent and Conditions Subsequent: The Agreement is conditional upon fulfilment of the conditions precedent and the conditions subsequent specified in the Agreement, including but not limited to the following:
- (i) *Conditions Precedent:*
 - (a) the approval of the Independent Shareholders at the SGM; and
 - (b) the entry of the Transfer Contract between Shanghai Dazhan and Shanghai Land Bureau.
 - (ii) *Conditions Subsequent:*
 - (a) the approval of Shanghai COFTEC in respect of the acquisition of the entire equity interest in Shanghai Dazhan by Long Meng; and
 - (b) Shanghai Dazhan having obtained the State-owned land use right certificate in respect of Land.

C. Total Financial Commitment

The Equity Interest Consideration payable by the Group to GD Zhujiang for the acquisition of the entire equity interest in Shanghai Dazhan and the land use right in respect of the Land will be RMB10 million (equivalent to approximately HK\$10.31 million) representing the amount of paid-up registered capital of Shanghai Dazhan. The Group shall repay GD Zhujiang the Advance Payment together with interest accrued thereon calculated

LETTER FROM THE BOARD

on a daily basis at the lending rate quoted by the People's Bank of China from time to time from the date of payment by GD Zhujiang up to and including the date of repayment by the Group.

Upon Completion, the Group will assume the responsibility of making payment of the remaining unpaid balance of the Land Transfer Price to Nanjing Academy for the acquisition of the land use right of the Land. Apart from payment of the Land Transfer Price, there is no other financial commitment on the part of the purchaser of the Land as required by Nanjing Academy.

Shanghai Dazhan, which was established on 21 May 2007, has a registered capital of RMB10 million (equivalent to approximately HK\$10.31 million) fully paid up by GD Zhujiang. Shanghai Dazhan did not have any profit or loss for the two financial years immediately preceding the Transaction as it has not engaged in any business operation since the date of its establishment. Based the Valuation Report, had the Group obtained the valid State-owned land use right certificate in respect of the Land, the market value of the Land in its existing state as at 31 July 2007 would be RMB1,502 million (equivalent to approximately HK\$1,548.45 million) assuming the land premium, being the Land Transfer Price, has been fully paid.

The total financial commitment of the Group for the Transaction will be RMB1,409 million (equivalent to approximately HK\$1,452.58 million), being the aggregate of the Equity Interest Consideration and the Land Transfer Price, plus interest accrued on the Advance Payment. The payment of the said total financial commitment will be funded by the Group's internal resources.

All sum paid by the Group to GD Zhujiang pursuant to the Agreement will be fully refunded to the Group in the event that the conditions precedent specified in the Agreement are not fulfilled by 31 October 2007 or the conditions subsequent specified in the Agreement are not fulfilled by 30 June 2008 (or such later date as agreed by the Group or unless otherwise waived by the Group).

D. Payment

Repayment of the Advance Payment together with interest accrued thereon calculated on a daily basis at the lending rate quoted by the People's Bank of China from time to time from the date of payment by GD Zhujiang up to and including the date of repayment by the Group shall be made within 7 days upon satisfaction of the conditions precedent specified in the Agreement. Payment of the Equity Interest Consideration shall be made upon satisfaction of the conditions precedent specified in the Agreement and within 7 days upon completion of registration of change of shareholder of Shanghai Dazhan.

E. Reasons for Transaction

As the Group is principally engaged in property development and property investment in various cities in the PRC including Guangzhou, Beijing, Shanghai and Tianjin, the Transaction is in the ordinary and usual course of business of the Group.

LETTER FROM THE BOARD

In the first half of 2007, the Group acquired Land No.292, which is adjacent to the Land. The Land and Land No. 292 are situated in Wujiaochang (五角場), a new commercial hub connecting the five roads of Handan Road, Siping Road, Huangxing Road, Xiangyin Road and Songhu Road in Yangpu District, a prime commercial district located in the northeast of Shanghai. The Wujiaochang area is expected to become a major commercial and entertainment hub including an underground square. It is expected that the development of an underground square in the Wujiaochang area, which will consist of commercial premises as well as entertainment facilities, will not only provide pedestrians with easy access to the commercial buildings and shopping malls, but will also greatly enhance the existing transportation network of Shanghai.

The Group plans to develop the Land for hotel and commercial uses with a total gross floor area of approximately 153,332 sq.m. including a basement area of approximately 60,000 sq.m. With the addition of the Land, the Group can now develop the Land and Land No. 292 together into a larger scale commercial complex comprising high rise grade A office buildings, 5-star hotels and large-scale shopping malls including underground levels for commercial use, thus enhancing the value of Land No. 292. The Directors consider the Transaction will place the Group in a better position to acquire additional piece(s) of land at the Wujiaochang area in the future. The Directors anticipate that the development of underground levels within the large-scale commercial complex will increase the commercial value of the Land and Land No. 292.

GD Zhujiang is principally engaged in property development, investment, management and construction in various cities in the PRC including Guangzhou, Beijing, Shanghai and Shenzhen. Shanghai Dazhan is a wholly-owned subsidiary of GD Zhujiang with a business scope of, among other things, real estate development, property and hotel management. Shanghai Dazhan was established by GD Zhujiang solely for the purpose of acquiring the Land.

F. Discloseable and Connected Transaction

GD Zhujiang, being a substantial shareholder of certain subsidiaries of the Company and the associate of the brother of Mr. Chu, is a connected person of the Company under the Listing Rules. Accordingly, the Transaction constitutes a connected transaction of the Company under the Listing Rules.

Based on the relevant percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules, the Transaction constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules.

As the Transaction constitutes a discloseable and connected transaction for the Company pursuant to Rules 14.08 and 14A.16(5), it is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Completion is conditional upon, *inter alia*, the approval of the Independent Shareholders voting at the SGM. Sounda, a company wholly-owned by Mr. Chu, is a substantial shareholder of the Company holding approximately 59.00% of the existing issued

LETTER FROM THE BOARD

share capital of the Company as at the date hereof. In view of Sounda's relationship with GD Zhujiang, Sounda and its associates will abstain from voting at the SGM and the votes of the Independent Shareholders will be taken by poll.

The Directors (including the independent non-executive Directors) consider that the Transaction is in the ordinary and usual course of business of the Group and the terms of the Agreement have been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable and the Transaction is in the interests of the Company and the Shareholders as a whole.

G. Effect of the Transaction on the assets, liabilities and earnings of the Group

The audited consolidated net asset value of the Group was approximately HK\$8,200 million as at 31 December 2006. Upon the acquisition of Shanghai Dazhan together with the land use right of the Land, there will be an increase of approximately RMB90 million (equivalent to approximately HK\$92.78 million) in the net asset value of the Group.

Upon Completion, the Group is expected to recognize an excess of acquirer's interest over cost of approximately RMB90 million (equivalent to approximately HK\$92.78 million) in the income statement. The assets and liabilities of the Group will be increased by RMB1,502 million (equivalent to approximately HK\$1,548.45 million) and RMB1,412 million (equivalent to approximately HK\$1,455.67 million) respectively. Moreover, it is expected that there will be a positive impact to the earnings of the Group in the long run.

3. SGM

The Company will convene a SGM on 25 September 2007 to pass an ordinary resolution to approve the Transaction. Sounda and its associates will abstain from voting at the SGM and the votes of the Independent Shareholders will be taken by poll.

Notice of the SGM is set out on page 29 in this circular. A form of proxy for use by the Shareholders at the SGM is enclosed with this circular. If you are unable to attend the SGM in person, you are strongly urged to complete and return the form of proxy in accordance with the instructions printed thereon, and to lodge it with 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 (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting and any adjourned meeting (as the case may be) should you so wish.

4. RECOMMENDATION

The letter to the Independent Shareholders from the Independent Board Committee, containing its recommendation in relation to the Agreement, is set out on page 11 in this circular. Having considered the advice from Taifook and the Valuation Report, which are set out on pages 12 to 18 of and Appendix I to this circular respectively, the Independent Board Committee is of

LETTER FROM THE BOARD

the opinion that the terms of the Agreement are on normal commercial terms, in the ordinary course of business of the Company and are fair and reasonable and the Transaction is in the interests of the Company and its Shareholders as a whole.

5. DIRECTORS

As at the date hereof, the executive Directors comprise CHU Mang Yee (Chairman), WU Jiesi (Chief Executive Officer), XIANG Bin, TAM Lai Ling, AU Wai Kin, CHEN Chang Ying, XIAO Yan Xia, the non-executive Director comprises Steven SHAFRAN and the independent non-executive Directors comprise YUEN Pak Yiu, Philip, LEE Tsung Hei, David and WONG Shing Kay, Oliver.

6. FURTHER INFORMATION

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Transaction.

Taifook has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Transaction. DTZ has been appointed to prepare the Valuation Report.

Your attention is drawn to the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders set out on page 11 of this circular and the advice from Taifook to the Independent Board Committee and the Independent Shareholders set out on pages 12 to 18 of this circular.

Your attention is also drawn to the Valuation Report set out in Appendix I and the general information set out in Appendix II.

By Order of the Board
Chu Mang Yee
Chairman



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HOPSON DEVELOPMENT HOLDINGS LIMITED

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To the Independent Shareholders

6 September 2007

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to the circular dated 6 September 2007 issued by the Company, of which this letter forms part (“Circular”). Terms used in this letter shall have the same meanings defined elsewhere in the Circular unless the context requires otherwise.

The Independent Board Committee comprising Messrs. Yuen Pak Yiu, Philip, Lee Tsung Hei, David and Wong Shing Kay, Oliver has been appointed to advise you in respect of the Transaction, details of which are set out in the Circular. Taifook has been appointed to advise the Independent Board Committee and the Independent Shareholders regarding the Transaction.

RECOMMENDATION

We wish to draw your attention to the Letter from the Board as set out on pages 4 to 10 of this Circular, and the letter from Taifook which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the Transaction as set out on pages 12 to 18 of this Circular.

Having taken into account the advice of Taifook, the principal factors and reasons considered by Taifook and the Valuation Report, we consider that the terms of the Agreement are on normal commercial terms, in the ordinary and usual course of business of the Company and are fair and reasonable and the Transaction is in the interests of the Company and the Shareholders as a whole.

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

Yuen Pak Yiu, Philip
*Independent non-executive
Director*

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

Wong Shing Kay, Oliver
*Independent non-executive
Director*

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LETTER FROM TAIFOOK

The following is the text of a letter of advice from Taifook to the Independent Board Committee and Independent Shareholders for the purpose of incorporation into this circular.



25th Floor
New World Tower
16–18 Queen’s Road Central
Hong Kong

6 September 2007

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

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Transaction, details of which are set out in the circular dated 6 September 2007 (the “Circular”) issued by the Company to the Shareholders of which this letter forms part. Capitalised terms used in this letter shall have the same respective meanings as defined in the Circular unless the context otherwise requires.

As referred to the “Letter from the Board” of the Circular, GD Zhujiang, by virtue of being a substantial shareholder of certain subsidiaries of the Company and the associate of the brother of Mr. Chu, is a connected person of the Company. Accordingly, the Transaction constitutes a non-exempt connected transaction for the Company under the Listing Rules, and is subject to the approval by the Independent Shareholders by poll in accordance with the requirements of the Listing Rules. Sounda, being the controlling Shareholder and a company wholly-owned by Mr. Chu, together with its associates will abstain from voting on the proposed resolution regarding the Transaction at the SGM.

In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to provide you with our independent opinion and recommendation as to whether the terms of the Transaction are fair and reasonable so far as the interest of the Independent Shareholders and the Group are concerned, and are in the interests of the Independent Shareholders and the Group as a whole. The Independent Board Committee, the composition of which is set out in the “Letter from the Independent Board Committee” of the Circular, has also been established to advise the Independent Shareholders in respect of the terms of the Transaction.

KEY ASSUMPTIONS MADE

In formulating our recommendation, we have relied on the information and facts supplied and representations expressed by the Directors and/or the management of the Group, the accuracy of which the Directors collectively and individually accept full responsibility. We have been advised by the Directors and/or the management of the Group that no material facts have been omitted from the information supplied and representations expressed to us and we are not aware of any facts or circumstances which would render such information and representations untrue, inaccurate or misleading. We have assumed that the information contained and representations made or referred to in the Circular were complete, true and accurate at the time they were made and continue to be so at the date of despatch of the Circular.

Our review and analyses were based upon, among others, the information provided by the Company as set out below:

- (i) the Agreement;
- (ii) the Assignment;
- (iii) the annual report of the Company for the year ended 31 December 2006 (the “Annual Report”);
- (iv) the Circular; and
- (v) the valuation of the Land prepared by an independent valuer, DTZ Debenham Tie Leung Limited (“DTZ”) (the “Valuation Report”).

In addition to the information provided by the Company, we have also reviewed:

- (i) the statistics and information published on the official website of Shanghai Tourism Administration (上海市旅遊局) of the government of Shanghai, the PRC;
- (ii) the statistics and information published on the official website of Shanghai Statistics Bureau (上海市統計局) of the government of Shanghai, the PRC; and
- (iii) a property market research report headed “DTZ Research — Properties Times Shanghai Office, Q1 2007” issued by DTZ in May 2007 in respect of properties in the Shanghai for the first quarter of 2007.

We have also discussed with the Directors and/or the management of the Group with respect to the terms of and reasons for the Transaction, and considered that we have reviewed sufficient information to reach an informed view and have no reason to doubt the completeness, truth or accuracy of the information and facts provided and representations made to us. We also consider that we have performed all reasonable steps as required under Rule 13.80 of the Listing Rules (including the notes thereto) to formulate our opinion and recommendation. We have not, however, conducted an independent investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the terms of the Transaction and its effects on the Independent Shareholders and the Group as a whole, we have considered the following principal factors and reasons:

I. Background of and reasons for the entering into of the Transaction

The Group's principal business activities

The Group is principally engaged in property development and property investment in various cities in the PRC including Shanghai. For the year ended 31 December 2006, the turnover derived from property development and property investment in Shanghai accounted for approximately 9.6% of the Group's total turnover and contributed to approximately 12.5% of the Group's operating profit. The Group also develops residential properties, commercial properties and hotels in Beijing, Guangzhou and Tianjin of the PRC.

As stated in the Annual Report, Shanghai, which will host the World Expo in 2010, is one of the major cities for the Group's business development. The Directors expected that property market in Shanghai would restore to a stable level after almost two years' implementation of austerity measures. The demand due to the improvement in living condition and the massive influx of expatriates will further fuel the demand of the property in Shanghai.

Outlook of the office property market, shopping malls and hotel industry in Shanghai

Reference to the property market research report headed "DTZ Research — Properties Times Shanghai Office, Q1 2007" issued by DTZ in May 2007, due to continued demand and lack of new supply in Shanghai's grade A office market, the vacancy rate of Shanghai grade A office has been on a continuous descending trend since 1998 and the vacancy rate for the first quarter of 2007 was at 4.9%. Average grade A office asking rental increased by 13% from a US dollar perspective and 9% from a RMB perspective from the first quarter of 2006 to the first quarter of 2007.

Based on the statistics published on the official website of Shanghai Statistics Bureau (上海市統計局), consumption index for Shanghai residents increased from 896.5 in 2005 to 1,021.1 in 2006 (assuming consumption index was 100 in year 1978). During 2006, turnover generated from retail business in Shanghai increased by 10.9% to approximately RMB290,000 million where turnover generated from shopping malls in Shanghai increased by 27% to approximately RMB31,826 million. The Directors believe that there would be a growing demand for shopping malls in Shanghai from foreign and local investors in view of the continuing growth in consumption power of Shanghai residents, the increase of visitors to Shanghai and the popularity of shopping malls as a form of retail business operation nowadays.

LETTER FROM TAIFOOK

Based on the statistics published on the official website of Shanghai Tourism Administration (上海市旅遊局), the total number of travelers from foreign countries, Hong Kong, Macau and Taiwan visiting Shanghai amounted to approximately 3.2 million for the six months ended 30 June 2007, representing an increase of approximately 12.1% as compared with that in the corresponding period of 2006. The Directors believe that there would be a growing demand for hotel rooms in Shanghai from business and leisure travelers, which is mainly attributable to the continuing economic growth in the PRC and the hosting of World Expo in 2010.

In light of the above, the Directors consider that there is a promising outlook of the office property market, shopping malls and hotel industry in Shanghai which can offer new investment opportunities to the Group.

Information on Shanghai Dazhan and the Land

As referred to the “Letter from the Board” of the Circular, GD Zhujiang is principally engaged in property development, investment, management and construction in various cities in the PRC including Guangzhou, Beijing, Shanghai and Shenzhen. Shanghai Dazhan was established solely for the purpose of acquiring the Land.

As referred to the “Letter from the Board” of the Circular, the Land, a site with an area of approximately 23,522.9 sq.m., is situated in Wujiaochang (五角場) of Yangpu District (楊浦區). The Land, together with the Land No. 292, are proposed to be developed into a large-scale commercial complex comprising high rise grade A office buildings, 5-star hotels and large-scale shopping malls including underground levels for commercial use.

Reasons for and benefits of the Transaction

Wujiaochang is connecting five roads of Handan Road, Siping Road, Huangxing Road, Xiangyin Road and Songhu Road in Yangpu District and is expected to become a major commercial and entertainment hub including an underground square. It is expected that the development of an underground square in the Wujiaochang area, which will consist of commercial premises as well as entertainment facilities will provide pedestrians with easy access to the commercial buildings and shopping malls and greatly enhance the existing transportation network of Shanghai.

The Land is adjacent to Land No. 292, a piece of land with site area of approximately 24,799 sq.m. owned by the Group. As referred to the “Letter from the Board” of the Circular, with the acquisition of the Land, the Group can develop the Land and Land No. 292 together into a larger commercial complex comprising high rise grade A office buildings, 5-star hotels and large scale shopping malls including underground levels for commercial use, thus enhancing the value of Land No. 292.

LETTER FROM TAIFOOK

Based on the above, in particular the positive outlook of the office property, shopping malls and the hotel industry in Shanghai, as well as the favourable strategic location of the Land, we concur with the view of the Directors that it is beneficial for the Group to participate in the development of the Land through the Transaction.

II. Principal terms of the Transaction

Pursuant to the Agreement, the Group has conditionally agreed to acquire the entire equity interest in Shanghai Dazhan from GD Zhujiang for (i) total financial commitment of RMB1,409 million (equivalent to approximately HK\$1,452.58 million), being the aggregate of the Equity Interest Consideration and the Land Transfer Price; and (ii) interest accrued on the Advance Payment. The Advance Payment is the amount paid or to be paid by GD Zhujiang to Nanjing Academy for the acquisition of the Land pursuant to the Assignment. On 28 July 2007, GD Zhujiang paid the Advance Payment of RMB559.6 million (equivalent to approximately HK\$576.91 million) to Nanjing Academy.

The payment of the total financial commitment and interest accrued on the Advance Payment will be funded by the Group's internal resources.

III. Analysis of financial commitment and related accrued interest for the Transaction

As referred to the "Letter from the Board" of the Circular, the total financial commitment of Long Meng in the Transaction, comprises (i) Equity Interest Consideration and (ii) Land Transfer Price, details of which are set out below:

Nature	Amount	Basis
(A) Equity Interest Consideration	Approximately RMB10 million (equivalent to approximately HK\$10.31 million)	Registered capital of Shanghai Dazhan fully paid by GD Zhujiang
(B) Land Transfer Price (<i>Note</i>)	Approximately RMB1,399 million (equivalent to approximately HK\$1,442.27 million)	Price at which GD Zhujiang bid from Nanjing Academy for the Land at a public auction on 20 July 2007
Total financial commitment	Approximately RMB1,409 million (equivalent to approximately HK\$1,452.58 million)	(A) + (B)

Note: The Land Transfer Price of RMB1,399 million (equivalent to approximately HK\$1,442.27 million) will be paid by the Group by two ways, namely (i) the repayment of the Advance Payment previously paid by GD Zhujiang to Nanjing Academy; and (ii) assumption of the responsibility of making payment of the remaining unpaid balance of the Land Transfer Price to Nanjing Academy by the Group upon Completion.

The Group shall also pay the interest to be accrued on the Advance Payment which will be calculated on a daily basis at the lending rate quoted by the People's Bank of China from time to time from 28 July 2007 up to and including the date of repayment of Advance Payment to GD Zhujiang by the Group. Taking the 1-year lending rate of 7.02% effective from 22 August 2007 as quoted by the People's Bank of China in the PRC, the deadline to satisfy the conditions precedent being 31 October 2007 and the amount of the Advance Payment being RMB559.6 million (equivalent to approximately HK\$576.91 million), interest to be accrued on Advance Payment would be approximately RMB10.22 million (equivalent to approximately HK\$10.54 million).

Based on the following, we consider that the total financial commitment for the Transaction is fair and reasonable and in the interests of the Independent Shareholders and the Group as a whole:

- (i) the Company will acquire the entire equity interest of Shanghai Dazhan at par; and
- (ii) the Land Transfer Price represents approximately 6.9% discount to the capital value of the Land stated in the Valuation Report (assuming that land use right is obtained and land premium is paid) of approximately RMB1,502 million (equivalent to approximately HK\$1,548.45 million).

IV. Financial effects of the Transaction on the Group

Net assets value

Since the Company intends to finance the Transaction by the Group's internal resources, there will not be any material impact on the net asset value of the Group immediately following the Transaction.

Gearing

As referred in the Annual Report, the Group's aggregate cash and cash equivalents (including pledged/charged bank deposits) amounted to approximately HK\$2,569.8 million as at 31 December 2006, whilst its borrowings (which comprised bank borrowings of approximately HK\$4,770.5 million and senior notes of carrying amount of approximately HK\$2,651.6 million) amounted to approximately HK\$7,422 million as at 31 December 2006. Based on the aforesaid, the Group's net borrowings to equity ratio (being borrowings less cash and cash equivalents, expressed as a percentage of net assets value) was approximately 59% as at 31 December 2006.

The Directors expect that, as a result of the payment of the total financial commitment (which will be financed by the Group's internal resources), the abovementioned net borrowings to equity ratio of the Group will increase.

As referred in the Annual Report, (i) the Group possessed completed properties with an aggregate saleable area of approximately 0.98 million sq.m. at the end of 2006; and (ii) the construction of the Group's properties with an aggregate saleable

LETTER FROM TAIFOOK

area of approximately 1.59 million sq.m. is scheduled to be completed in 2007. Therefore, the Directors expect that the cash generated from the sales of properties in 2007 would improve the Group's net borrowings to equity ratio and enable the Group to maintain a healthy financial position.

CONCLUSION AND RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the terms of the Transaction are fair and reasonable so far as the interest of the Independent Shareholders and the Group are concerned, and are in the interests of the Independent Shareholders and the Group as a whole. Accordingly, we advise (i) the Independent Board Committee to recommend the Independent Shareholders and (ii) the Independent Shareholders, to vote in favour of the resolution to approve the Transaction.

Yours faithfully,

For and on behalf of

Taifook Capital Limited

Derek C. O. Chan

Managing Director

Marcus Ho

Executive Director

The following is the text of a letter, summary of valuations and valuation certificates prepared for the purpose of incorporation in this circular received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with their opinion of values of the property interests of the Company as at 31 July 2007.



10th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

6 September 2007

The Directors
Hopson Development Holdings Limited
Suites 3305–3309, 33rd Floor
Jardine House
1 Connaught Place
Central
Hong Kong

Dear Sirs,

Re: Lot No. NS-1 situated at 1157 Xiangyin Road, junction with Huangxing Road, Yangpu District, Shanghai, the PRC

Instructions, Purpose and Date of Valuation

In accordance with the instructions of Hopson Development Holdings Limited (the “Company”) for us to value the property interest to be acquired by the Company or its subsidiaries (hereinafter together referred to as the “Group”) in the People’s Republic of China (the “PRC”), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of the property interest as at 31 July 2007 (the “date of valuation”).

Definition of Market Value

Our valuation of the property interest represent its market value which in accordance with the Valuation Standards on Properties of the Hong Kong Institute of Surveyors is defined as “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Valuation Bases & Assumptions

Our valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In valuing the property which is situated in the PRC, we have assumed that transferable land use rights in respect of the property for the specific term at nominal annual land use fee have been granted and that any premium payable has already been fully paid. We have also assumed that the grantee or the user of the property has free and uninterrupted rights to use or to assign the property for the whole of the unexpired term as granted. We have relied on the advice given by the Group regarding the titles to and the Group's interest in the property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoing of any onerous nature which could affect its value.

In valuing the property interest, we have complied with the requirements set out in Chapter 5 and Practice Note 12 to the Rules governing the listing of Securities on the Stock Exchange of Hong Kong Limited and the Valuation Standards (First Edition 2005) on Valuation of Properties published by the Hong Kong Institute of Surveyors.

Method of Valuation

In valuing the property which is held for future development by the Group, we have valued it by Direct Comparison Approach by making reference to comparable sales evidence as available in the relevant market.

Source of Information

We have relied to a very considerable extent on the information given by the Group and the Group's legal advisors, Kaitong Law Firm, on PRC law and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of the properties, development scheme, construction costs, site and floor areas and all other relevant matters.

Dimensions, measurements and areas included in the valuation certificate attached are based on information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information supplied.

Title Investigation

We have been provided with copies of documents in relation to the titles to the property. However, we have not carried out searches to verify the ownership of the property and to ascertain any amendment which may not appear on the copies handed to us.

Site Inspection

We have inspected the property. However, we have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Unless otherwise stated, we have not been able to carry out on-site measurement to verify the site and floor areas of the property and we have assumed that the areas shown on the copies of the documents handed to us are correct.

Currency

Unless otherwise stated, all money amounts stated herein are in Renminbi, the official currency of the PRC.

We enclose herewith the valuation certificate.

Yours faithfully,
for and on behalf of
DTZ Debenham Tie Leung Limited
Andrew K. F. Chan
China Real Estate Appraiser
R.P.S. (GP), MSc, M.H.K.I.S., M.R.I.C.S.
Director

Note: Mr. Andrew K.F. Chan is a Registered Professional Surveyor who has over 19 years of experience in the valuation of properties in the PRC and Hong Kong.

VALUATION CERTIFICATE

Property interest to be acquired by the Group for future development in the PRC:

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2007
Lot No. NS-1 situated at 1157 Xiangyin Road, junction with Huangxing Road, Yangpu District, Shanghai, the PRC	The property comprises an irregular-shaped site with a total site area of approximately 23,522.9 sq.m. (253,200 sq.ft.), including a construction site area of 23,333 sq.m. (251,156 sq.ft.) and a site area for the planned road of 189.9 sq.m. (2,044 sq.ft.). The property is planned to be developed for a total gross floor area of approximately 153,332 sq.m. (1,650,466 sq.ft.), including a basement area of approximately 60,000 sq.m. (645,840 sq.ft.), for hotel/commercial uses. The land use rights of the property is expected to be granted for a term of 40 and 50 years from the date of hand-over of the land for commercial and office uses respectively.	The property is currently a vacant site pending for development.	No commercial value (see Note 1 below)

Notes:

- (1) In the course of our valuation, we have ascribed no commercial value to the property as the State-owned Land Use Rights Certificate of the property in the name of the Group has not been obtained. For reference purpose, had the Group obtained a valid State-owned Land Use Rights Certificate, the market value of the property in its existing state as at 31 July 2007, assuming that the land premium has been fully paid, would be RMB1,502,000,000.
- (2) According to the Transfer Agreement of Military Land Use Rights of Site KNHZ No.5238 entered into between Nanjing Academy of Political Science of the People's Liberation Army of the PRC, Shanghai Branch (中國人民解放軍南京政治學院上海分院) (the "Transferor") and Guangdong Zhujiang Investment Company Limited (廣東珠江投資有限公司) ("GD Zhujiang") on 28 July 2007, the Transferor has agreed to transfer the land use rights of the property to GD Zhujiang with the details as follows:
 - (i) Site Area : 23,522.9 sq.m. (Including a construction site area of 23,333 sq.m. and a site area for planned road of 189.9 sq.m.)
 - (ii) Land transfer fee : RMB1,399,000,000
 - (iii) Use : commercial, office
 - (iv) Land use term : 40 years for commercial use and 50 years for office use from the date of issuing Grant Contract of State-owned Land Use Rights by Shanghai Housing and Land Resources Administrative Bureau
 - (v) Plot ratio : 4.0

- (3) According to the equity purchase agreement dated 17 August 2007 entered into between Shanghai Long Meng Real Estate Development Co., Ltd. (上海龍盟房地產開發有限公司), an indirectly wholly-owned company of the Company, and GD Zhujiang, the Group has conditionally agreed to acquire the entire equity interest in Shanghai Dazhan Investment Management Company Limited (上海大展投資管理有限公司) (“Shanghai Dazhan”), a company established in the PRC and is a wholly-owned subsidiary of GD Zhujiang together with the land use right of the property. The consideration (“Equity Interest Consideration”) payable by the Group to GD Zhujiang for the acquisition of the entire equity interest in Shanghai Dazhan and the land use right of the property will be RMB10 million representing the amount of paid-up registered capital of Shanghai Dazhan. The total financial commitment of the Group under the said equity purchase agreement will be RMB1,409 million, being the aggregate of the Equity Interest Consideration and the land transfer price, plus interest accrued on the sum of RMB559.6 million (representing 40% of the land transfer price paid by GD Zhujiang) together with such other sums (if any) actually paid by GD Zhujiang pursuant to the Transfer Agreement for Military Land Use Rights of Site KNHZ No. 5238 as referred to in note (2) above.
- (4) Upon completion of the above-mentioned agreement, the Group will assume the responsibility of making payment of the remaining unpaid balance of 60% the land transfer price (equivalent to approximately RMB839.4 million) to Nanjing Academy of Political Science of the People’s Liberation Army of the PRC, Shanghai Branch (中國人民解放軍南京政治學院上海分院) for the acquisition of the land use rights of the property. Apart from payment of the land transfer price, there is no other financial commitment on the part of the purchaser of the land.
- (5) The planning consent of the proposed development of the property has not been obtained yet.
- (6) According to the proposed development scheme provided by the Group, the details of the proposed development plan are as follows:
- | | | |
|--------------------------|---|--------------|
| (i) Site Area | : | 23,333 sq.m. |
| (ii) GFA (Above Ground) | : | 93,332 sq.m. |
| (iii) GFA (Under Ground) | : | 60,000 sq.m. |
| (iv) Plot ratio | : | 4.0 |
| (v) Building Density | : | 55% |
| (vi) Rate of Green | : | 15% |
| (vii) Car parks | : | About 500 |
- (7) According to Business License No. 3101151020607 dated 12 June 2007, Shanghai Dazhan was established with a registered capital of RMB10,000,000 for a valid operation period from 21 May 2007 to 20 May 2057.
- (8) The opinion of the legal advisor on PRC law states, *inter alia*, that:
- (i) According to the Certificate for the Use of State-owned Land No. (2000) 023961, the previous user of the property was Nanjing Academy of Political Science of the People’s Liberation Army of the PRC, Shanghai Branch (中國人民解放軍南京政治學院上海分院);
 - (ii) According to the Transfer Agreement of Military Land Use Rights entered into between Nanjing Academy of Political Science of the People’s Liberation Army of the PRC, Shanghai Branch (中國人民解放軍南京政治學院上海分院) (the “Transferor”) and GD Zhujiang on 28 July 2007, the Transferor has agreed to transfer the land use rights of the property to GD Zhujiang;
 - (iii) The transfer of the property is legal and enforceable; and
 - (iv) GD Zhujiang has acquired the land use rights of the property legally under the PRC laws and regulations and has the right to enter into the Grant Contract for State-owned Land Use Rights with Shanghai Land Bureau.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

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

(1) Long position in Shares

Name	Number of Shares beneficially held		Approximate percentage of Shares in issue
	Personal	Corporate	
Mr. Chu Mang Yee	—	868,632,346 ⁽¹⁾	59.00
Mr. Wu Jiesi	426,000	—	0.03
Mr. Au Wai Kin	—	34,500,000 ⁽²⁾	2.34
Ms. Xiao Yan Xia	30,000	—	0.01 ⁽⁴⁾
Mr. Steven Shafran	1,500,000	514,000 ⁽³⁾	0.14

Notes:

- These Shares are held by Sounda Properties Limited, a company wholly-owned by Mr. Chu Mang Yee and HKSCC Nominees Limited, a nominee company.
- These Shares are owned by Yield Plentiful Incorporated, a company wholly-owned and controlled by Mr. Au Wai Kin.
- These Shares are owned by AMRI Financial Group Hong Kong Limited, a company controlled by Mr. Steven Shafran.
- This figure has been rounded up for illustration purpose.

(2) Long position in underlying Shares

The following Director holds options to subscribe for Shares pursuant to the share option scheme adopted by the Company on 4 November 2002, details of which as at the Latest Practicable Date were as follows:

Name	Date of Grant	Exercisable period	Exercise Price (HK\$)	Number of underlying Shares in respect of which options were granted	Number of underlying Shares in respect of which options were outstanding as at the Latest Practicable Date	Approximate percentage of Shares in issue
Mr. Wu Jiesi	19 January 2007	19 January 2007 to 18 January 2012	20.75	7,964,000	7,964,000	0.54
				7,964,000	7,964,000	0.54
				7,964,000	7,964,000	0.54

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

No contract, commitment or agreement of significance in relation to the Company's business, to which the Company or any of its subsidiaries was a party and in which any of the Directors had a material interest, either directly or indirectly, subsisted at the date of this circular.

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which, since 31 December 2006, the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, Mr. Chu Mang Yee was a director of Sounda Properties Limited. Save for this, none of the Directors was a director or employee of a company which had any 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. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to or can be ascertained after reasonable enquiry by the Director, the persons (not being a Director or chief executive of the Company) who 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, or who were, directly or indirectly, interested in 10% or more of the nominal value of shares of any class in the Company were as follows:

Name	Number of issued Shares	Approximate percentage of Shares in issue
Sounda Properties Limited	868,632,346	59.00

Save as disclosed herein, there is no person known to the Directors, who, as at the Latest Practicable Date, 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, or who was directly or indirectly interested in 10 per cent. or more of the nominal value of any class of shares of the Company.

4. PROCEDURE TO DEMAND A DEED POLL

Pursuant to Bye-law 66 of the bye-laws of the Company, at any general meeting, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

5. SERVICE AGREEMENTS

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

6. MATERIAL CHANGES

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2006, the date to which the latest published audited financial statements of the Group were made up.

7. EXPERT

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

Name	Qualification
Taifook	licensed corporation to carry out Type 6 regulated activity (advising on corporate finance) under the SFO
DTZ	property valuer

As at the Latest Practicable Date, none of Taifook and DTZ has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

Each of Taifook and DTZ has given and has not withdrawn its written consent to the issue of this circular with the reference to its name and its letter in the form and context in which they appear.

As at the Latest Practicable Date, none of Taifook and DTZ has any interest, direct or indirect, in any assets which since 31 December 2006, the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. SECRETARY AND QUALIFIED ACCOUNTANT

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

The qualified accountant of the Company is Mr. Lee Bun Ching, Terence, a certified public accountant and a member of the Hong Kong Institute of Certified Public Accountants and American Institute of Certified Public Accountants respectively.

9. COMPETING BUSINESS

None of the Directors and his/her respective associates has an interest in a business apart from the Company's business which competes or is likely to compete, either directly or indirectly, with the Company's business.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Hopson Development Holdings Limited, Suites 3305-09, 33/F, Jardine House, 1 Connaught Place Central, Hong Kong during normal business hours from 6 September 2007 to 19 September 2007 (both dates inclusive):

- (i) the Agreement;
- (ii) the Assignment;
- (iii) the letter from the Independent Board Committee, the text of which is set out on page 11 of this circular;
- (iv) the letter from Taifook, the text of which is set out on pages 12 to 18 of this circular; and
- (v) the Valuation Report.

11. LITIGATION

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

12. MISCELLANEOUS

The English text of this circular shall prevail over its Chinese text.



合 生 創 展 集 團 有 限 公 司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

(Stock Code: 754)

(Incorporated in Bermuda with limited liability)

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

NOTICE IS HEREBY GIVEN that a Special General Meeting of Hopson Development Holdings Limited (the “Company” together with its subsidiaries, the “Group”) will be held at 29/F, Edinburgh Tower, The Landmark, 15 Queen’s Road Central, Hong Kong on 25 September 2007 (Tuesday) at 10:00 a.m. 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 RESOLUTIONS

“THAT:

- (i) The transactions contemplated under the Agreement with GD Zhujiang regarding the acquisition of the entire interest in Shanghai Dazhan by the Group;
- (ii) The Agreement (a copy of which has been produced to this meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification) be and is hereby approved, confirmed and ratified;
- (iii) Any one Director be and is hereby authorised to take all actions and to sign, execute and deliver all such agreements, deeds and documents for and on behalf of the Company as he may in his discretion consider necessary or desirable for the purpose of effecting any of the transactions contemplated under the Agreement, the implementation or the exercise or enforcement of any of the rights and performance of any of the obligations under the Agreement.”

By Order of the Board
Chu Mang Yee
Chairman

Hong Kong, 6 September 2007

* *for identification purposes only*