

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Hopson Development Holdings Limited, 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular is for information purposes only and does not constitute an offer or invitation to subscribe for or purchase any securities, nor is it calculated to invite any such offer or invitation.



合 生 創 展 集 團 有 限 公 司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 754)

DISCLOSEABLE TRANSACTION

A letter from the Chairman of Hopson Development Holdings Limited is set out on pages 3 to 8 of this circular.

* *For identification purposes only*

CONTENTS

	<i>Page</i>
1. DEFINITIONS	1
2. LETTER FROM THE CHAIRMAN	
A. INTRODUCTION	3
B. THE TRANSACTION	4
C. REASONS FOR THE TRANSACTION	7
D. DISCLOSEABLE TRANSACTION	7
E. EFFECT OF THE TRANSACTION ON THE EARNINGS, ASSETS AND LIABILITIES OF THE GROUP	8
F. FURTHER INFORMATION	8
G. DIRECTORS	8
APPENDIX — GENERAL INFORMATION	9

DEFINITIONS

In this circular, unless the context requires otherwise, the following terms have the corresponding definitions listed below:

“Beijing Hopson Beifang”	北京合生北方房地產開發有限公司 (Beijing Hopson Beifang Real Estate Development Limited), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Beijing Hopson Lu Zhou”	北京合生綠洲房地產開發有限公司 (Beijing Hopson Lu Zhou Real Estate Development Limited), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Beijing Land Bureau”	北京市國土資源局 (Beijing State Land Resources Bureau)
“Beijing Land Centre”	北京市土地整理儲備中心通州區分中心 (Beijing Tu Di Zheng Li Chu Bei Zhong Xin, Tong Zhou District Branch)
“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
“Development”	the first class land development (土地一級開發) of the Land
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a piece of land situated at 中國北京市通州區永順鎮喬莊村 (Qiao Zhuang Village, Yong Shun Town, Tong Zhou District, Beijing, PRC)
“Land Transfer Contract”	北京市國有土地使用權出讓合同 (Contract for the transfer of the land use right of State-owned land of the Beijing Municipal) in respect of the Land to be entered into between Beijing Hopson Beifang, Beijing Hopson Lu Zhou and Beijing Land Bureau
“Land Transfer Price”	RMB1,740,000,000 (equivalent to approximately HK\$1,870,967,742), being the price for the transfer of land use right in respect of Land under the Land Transfer Contract
“Latest Practicable Date”	17 April 2008, 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

DEFINITIONS

“PRC”	the People’s Republic of China
“Reimbursement”	the sum of RMB493,178,100 (equivalent to approximately HK\$530,299,032) payable by Beijing Hopson Beifang and Beijing Hopson Lu Zhou to Beijing Land Centre under the Reimbursement Agreement
“Reimbursement Agreement”	土地開發建設補償協議 (Agreement for Reimbursement of Land Development) dated 2 April 2008 and entered into between Beijing Hopson Beifang, Beijing Hopson Lu Zhou and Beijing Land Centre
“RMB”	Renminbi
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transactions contemplated under the Land Transfer Contract and the Reimbursement Agreement

For illustrative purpose of this announcement, RMB0.93 = HK\$1.



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*)

XIANG Bin

AU Wai Kin

CHEN Chang Ying

XIAO Yan Xia

ZHAO Hai

XUE Hu

Non-executive Director:

SHAFRAN, Steven

Independent Non-executive Directors:

YUEN Pak Yiu, Philip

LEE Tsung Hei, David

WONG Shing Kay, Oliver

Head and Principal Office:

Suites 3305-3309

33/F, Jardine House

1 Connaught Place

Central

Hong Kong

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

23 April 2008

To the Shareholders

Dear Sir and Madam,

DISCLOSEABLE TRANSACTION

A. INTRODUCTION

It was announced by the Company on 2 April 2008 that the Group made a successful bid for the land use right of the Land on 19 February 2008.

On 2 April 2008, the Group entered into the Reimbursement Agreement with Beijing Land Centre, pursuant to which the Group agreed to reimburse Beijing Land Centre for the Development of the Land. The Group will enter into the Land Transfer Contract with Beijing Land Bureau on or around 25 April 2008 for the transfer of the land use right in respect of the Land.

* For identification purposes only

LETTER FROM THE CHAIRMAN

B. THE TRANSACTION

1. Background

On 19 February 2008, the Group tendered a bid of RMB1,740,000,000 (equivalent to approximately HK\$1,870,967,742) for the land use right in respect of the Land through a public bidding process organized and held by Beijing Land Bureau.

On 19 February 2008, the Group was notified by Beijing Land Bureau that the Group won the bid and would be granted the land use right in respect of the Land. The Land in respect of which the land use right is to be granted, is situated in Qiao Zhuang Village, Yong Shun Town, Tong Zhou District, Beijing with a site area of approximately 114,967.25 square metres and is permitted for commercial, office and residential purposes.

On 2 April 2008, the Group entered into the Reimbursement Agreement with Beijing Land Centre for the reimbursement of the costs incurred by Beijing Land Centre in carrying out the Development.

The Group will enter into the Land Transfer Contract with Beijing Land Bureau on or around 25 April 2008 for the transfer of the land use right in respect of the Land at the Land Transfer Price, among which RMB493,178,100 (equivalent to approximately HK\$530,299,032), being the Reimbursement, shall be payable to Beijing Land Centre, the contractor which carried out the Development, as reimbursement for the costs incurred by Beijing Land Centre in carrying out the Development prior to the sale of the land use right in respect of the Land.

Both Beijing Land Bureau and Beijing Land Centre are government entities which are third parties independent of the Company and its connected persons.

The Group intends to develop a commercial complex on the Land containing office and residential buildings.

2. Principal terms of the Land Transfer Contract

- | | |
|------------------------|---|
| Parties: | (i) Beijing Hopson Beifang and Beijing Hopson Lu Zhou as transferee; and |
| | (ii) Beijing Land Bureau as transferor. |
| Rights to be Acquired: | Beijing Land Bureau agrees to transfer to Beijing Hopson Beifang and Beijing Hopson Lu Zhou the land use right of the Land. |

LETTER FROM THE CHAIRMAN

Term: The transfer of land use right of the Land is for a term of 70 years for residential purposes, 50 years for residential and commercial purposes, 40 years for commercial purposes, commencing from the date of execution of the Land Transfer Contract. Beijing Hopson Beifang and Beijing Hopson Lu Zhou may apply to the Beijing Land Bureau for the renewal of the Land Transfer Contract at least 1 year prior to the expiry of the terms of the land use right of the Land.

Land Transfer Price: The Land Transfer Price comprises the following:

- (a) Government land premium, being RMB1,246,821,900 (equivalent to approximately HK\$1,340,668,710); and
- (b) Reimbursement, being RMB493,178,100 (equivalent to approximately HK\$530,299,032).

Upon signing of the Land Transfer Contract, Beijing Hopson Beifang and Beijing Hopson Lu Zhou shall pay Beijing Land Bureau 20% of the Government land premium (“First Payment”), being RMB249,364,380 (equivalent to approximately HK\$268,133,742). The sum of RMB65,000,000 being the earnest money deposited on 19 February 2008 by Beijing Hopson Beifang and Beijing Hopson Lu Zhou with Beijing Land Centre for the bidding of the land use right in respect of the Land shall be applied towards payment of the First Payment.

Beijing Hopson Beifang and Beijing Hopson Lu Zhou shall pay Beijing Land Bureau the remaining balance of the Government land premium, being RMB997,457,520 (equivalent to approximately HK\$1,072,534,968) within 60 days from the date of execution of the Land Transfer Contract.

Beijing Hopson Beifang and Beijing Hopson Lu Zhou shall pay Beijing Land Centre the Reimbursement in accordance with the terms of the Reimbursement Agreement.

Responsibilities of Beijing Hopson Beifang and Beijing Hopson Lu Zhou: Beijing Hopson Beifang and Beijing Hopson Lu Zhou shall, among other things, enter into the Reimbursement Agreement with Beijing Land Centre, apply to the relevant authority for the registration of the land use right to obtain the State-owned land use right certificate.

LETTER FROM THE CHAIRMAN

3. Principal terms of the Reimbursement Agreement

Date: 2 April 2008

Parties: (i) Beijing Hopson Beifang and Beijing Hopson Lu Zhou;
and
(ii) Beijing Land Centre.

Reimbursement: The total sum of RMB493,178,100 (equivalent to approximately HK\$530,299,032) is payable by Beijing Hopson Beifang and Beijing Hopson Lu Zhou to Beijing Land Centre as reimbursement for the costs incurred by Beijing Land Centre in carrying out the Development.

Upon signing of the Reimbursement Agreement, Beijing Hopson Beifang and Beijing Hopson Lu Zhou shall pay Beijing Land Centre the sum of RMB468,519,195 (equivalent to approximately HK\$503,784,081), representing 95% of the Reimbursement.

Beijing Land Centre shall, among other things, be responsible for the provision of 5 urban pipes and cables (drainage system, water pipes, gas and electricity supply, telecommunication network). For the installation of each of the 5 urban pipes and cables, 1% of the Reimbursement shall be payable for each installation, 3 days prior the reporting of the installation.

Responsibility of Beijing Land Centre: Beijing Land Centre shall deliver the Land to the Group within 7 days after the date of payment of 95% of the Reimbursement by Beijing Hopson Beifang and Beijing Hopson Lu Zhou.

Beijing Land Centre shall, among other things, carry out certain infrastructure works such as the provision of road, drainage system, water pipes, gas and electricity supply, telecommunication network, leveling of the Land (collectively "Infrastructure Works") in relation to the Land in accordance with the timetable as required by Beijing Hopson Beifang and Beijing Hopson Lu Zhou.

LETTER FROM THE CHAIRMAN

4. Land Transfer Price and Reimbursement

The Land Transfer Price and Reimbursement will be funded by the Group's internal resources/ bank borrowings.

The Land Transfer Price represents the price for the transfer of land use right in respect of Land under the Land Transfer Contract for the aforesaid term. The Reimbursement which represents the amount of reimbursement payable to Beijing Land Centre for carrying out the Development was stipulated under the Land Transfer Contract. The Development will be completed upon completion of the Infrastructure Works.

As at the Latest Practicable Date, the Group had paid to Beijing Land Centre a sum of approximately RMB20,000,000 (equivalent to approximately HK\$21,505,376.34) as part payment of the Reimbursement. The Group and Beijing Land Centre are in the course of negotiating a revised payment schedule of the remainder of the Reimbursement.

C. REASONS FOR THE 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.

The Land is located in Tong Zhou District of Beijing. The Land is in proximity to various landmarks, namely China World Trade Centre to the west, Beijing Capital Airport to the north and Tanggu port to the east, and is connected to the Jingtong highway. The Land is well equipped with established infrastructure and well facilitated by public transportation.

Tong Zhou District will be one of the primary focus of city development in Beijing. The development of Tong Zhou District will be primarily focused in cultural education, entertainment and tourism, so as to fully experience the canal culture. It is expected that Tong Zhou District will become one of the prime locations in Beijing, both as a cultural and tourism spot and a commercial centre, and as a result, there will be great potential in the property market in Tong Zhou District. In view of the above, the Directors consider that the acquisition of the Land will enrich the Group's landbank and will bring forth development potential and opportunity for the Group.

Beijing Hopson Beifang is principally engaged in property development in Beijing.

Beijing Hopson Lu Zhou is principally engaged in property development in Beijing.

D. DISCLOSEABLE TRANSACTION

Based on the relevant percentage ratios 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 Reimbursement Agreement was agreed on the basis that the Land Transfer Contract will be entered into, the Reimbursement Agreement and the Land Transfer Contract are part and parcel of the Transaction. Accordingly, the Company's obligation to make an announcement in respect of the Transaction arises upon entering into the Reimbursement Agreement.

LETTER FROM THE CHAIRMAN

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 Land Transfer Contact and the Reimbursement Agreement have been agreed 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 are concerned.

Beijing Land Bureau and Beijing Land Centre are third parties independent of the Company and its connected persons.

E. EFFECT OF THE TRANSACTION ON THE EARNINGS, ASSETS AND LIABILITIES OF THE GROUP

Upon the acquisition of the land use right in respect of the Land, there will not be any material impact on the net asset value of the Group. The assets and liabilities of the Group will be increased subject to the amount of bank borrowings to be obtained by the Group to finance the acquisition of the land use right in respect of the Land. It is expected that there will be a positive impact on the earnings of the Group in long run.

F. FURTHER INFORMATION

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

G. DIRECTORS

As at the date hereof, the executive Directors comprise CHU Mang Yee (Chairman), XIANG Bin, AU Wai Kin, CHEN Chang Ying, XIAO Yan Xia, ZHAO Hai, XUE Hu, 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.

By Order of the Board
Chu Mang Yee
Chairman

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. Au Wai Kin	—	34,500,000 ⁽²⁾	2.34
Ms. Xiao Yan Xia	30,000	—	0.01 ⁽³⁾

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.
- 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
Mr. Zhao Hai	26 November 2007	26 November 2007 to 22 October 2012	25.20	1,000,000	1,000,000
				1,000,000	1,000,000
				1,000,000	1,000,000

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 2007, 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
Sloane Robinson LLP	73,768,000	5.01

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. 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).

5. MATERIAL CHANGES

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007, the date to which the latest published audited financial statements of the Group were made up.

6. 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.

7. 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.

8. 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.

9. MISCELLANEOUS

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.

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