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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)

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

DISCLOSEABLE TRANSACTION

A letter from the Chairman of Hopson Development Holdings Limited is set out on pages 3 to 7 of this circular.

* *for identification purposes only*

19 August 2008

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DEFINITIONS

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

“Bid Confirmation”	惠州市大亞灣土地使用權掛牌交易成交確認書 (Huizhou Municipal Daya Bay land use right bid confirmation) in respect of the Land dated 23 June 2008 and entered into between Hopson Youtian, Huizhou Land Bureau and Huizhou Property Exchange Centre
“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
“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
“Hopson Youtian”	惠州市合生友天置業有限公司 (Huizhou Municipal Hopson Youtian Real Estate Limited) a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Huizhou Land Bureau”	惠州市國土資源局大亞灣區分局 (Daya Bay District sub-Bureau of the Huizhou State Land Resources Bureau)
“Huizhou Property Exchange Centre”	惠州大亞灣經濟技術開發區地產交易中心 (Huizhou Daya Bay Financial Development District Property Exchange Centre)
“Land”	a piece of land situated at 中國惠州市大亞灣經濟技術開發區西區響水河南部地段 (Daya Bay Economic and Technological Development Zone, West side, Xiangshuihe South, Huizhou, PRC)
“Land 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 dated 30 July 2008 and entered into between Hopson Youtian and Huizhou Land Bureau
“Land Transfer Price”	RMB771,945,228 (equivalent to approximately HK\$877,210,486), being the price for the transfer of land use right in respect of Land under the Land Transfer Contract
“Latest Practicable Date”	14 August 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The StockExchange of Hong Kong Limited
“Part One Land”	one part of the Land allocated as the export processing zone with a site area of 1,006,504 square metres
“Part Two Land”	one part of the Land allocated as the industrial zone with a site area of 449,446 square metres
“Part Three Land”	one part of the Land allocated as the residential zone with a site area of 356,128 square metres
“PRC”	the People’s Republic of China
“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

For illustrative purpose of this circular, RMB0.88 = HK\$1.00.



合生創展集團有限公司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

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

Executive Directors:

CHU Mang Yee (Chairman)

XIANG Bin

ZHAO Hai

CHEN Chang Ying

AU Wai Kin

XUE Hu

ZHAO Mingfeng

Independent Non-executive Directors:

YUEN Pak Yiu, Philip

LEE Tsung Hei, David

WONG Shing Kay, Oliver

Head and Principal Office:

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33/F, Jardine House

1 Connaught Place

Central

Hong Kong

Registered Office:

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2 Church Street

Hamilton HM 11

Bermuda

19 August 2008

To the Shareholders

Dear Sir and Madam,

DISCLOSEABLE TRANSACTION

A. INTRODUCTION

It was announced by the Company on 30 July 2008 that the Group made a successful bid for the land use right of the Land on 23 June 2008.

On 23 June 2008, the Group entered into the Bid Confirmation with Huizhou Property Exchange Centre and Huizhou Land Bureau, pursuant to which the parties to the Bid Confirmation agreed that the Group shall purchase the land use right in respect of the Land at the Land Transfer Price. On 30 July 2008, the Group entered into the Land Transfer Contract with Huizhou Land Bureau 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 June 2008, the Group tendered a bid of RMB771,945,228 (equivalent to approximately HK\$877,210,486) for the land use right in respect of the Land through a public bidding process organized and held by Huizhou Property Exchange Centre, as agent of Huizhou Land Bureau.

On 23 June 2008, the Group was notified by Huizhou Land Bureau and Huizhou Property Exchange Centre 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 Huizhou Daya Bay Economic and Technological Development Zone, West side, Xiangshuihe South, Huizhou with a site area of approximately 1,812,078 square metres and is permitted for industrial, office and residential purposes.

On 23 June 2008, the Group entered into the Bid Confirmation with Huizhou Land Bureau and Huizhou Property Exchange Centre, pursuant to which the parties to the Bid Confirmation agreed that the Group shall purchase the land use right in respect of the Land at the Land Transfer Price.

On 30 July 2008, the Group entered into the Land Transfer Contract with Huizhou Land Bureau for the transfer of the land use right in respect of the Land at the Land Transfer Price.

Huizhou Property Exchange Centre is an agent of Huizhou Land Bureau, a government entity, responsible for organizing and holding the public bidding for the land use right in respect of the Land. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Huizhou Land Bureau, Huizhou Property Exchange Centre and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Land is divided into three parts, Part One Land, Part Two Land and Part Three Land. The Group intends to develop (i) factories, which will be partly sold and partly leased for export processing purposes on Part One Land; (ii) industrial factories, warehouses, office buildings and apartments on Part Two Land to attract projects characterized by high technology, high value added, high efficiency, low resource consumption, low energy consumption and low emission; and (iii) residential building and related facilities on Part Three Land.

2. Principal terms of the Land Transfer Contract

Date:	30 July 2008
Parties:	(i) Huizhou Land Bureau as transferor; and (ii) Hopson Youtian as transferee.
Rights to be Acquired:	Huizhou Land Bureau agrees to transfer to Hopson Youtian the land use right of the Land.

LETTER FROM THE CHAIRMAN

- Term:** The transfer of land use right of Part One Land and Part Two Land, which are both for industrial purposes, are each for a term of 50 years commencing from the date of execution of the Land Transfer Contract. The transfer of land use right of Part Three Land, which is for residential purposes, is for a term of 70 years commencing from the date of execution of the Land Transfer Contract. Hopson Youtian may apply to the Huizhou 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 for the transfer of land use right in respect of the Land is RMB771,945,228 (equivalent to approximately HK\$877,210,486).
- Upon signing of the Bid Confirmation, the sum of RMB100,000,000 (equivalent to approximately HK\$113,636,364) being the earnest money deposited on 19 June 2008 by Hopson Youtian with Huizhou Property Exchange Centre for the bidding of the land use right in respect of the Land shall be applied towards payment of the down payment.
- The balance of the Land Transfer Price, being RMB671,945,228 (equivalent to approximately HK\$763,574,123) shall be paid by Hopson Youtian to Huizhou Land Bureau within 180 days from the date of execution of the Land Transfer Contract.
- Responsibilities of Hopson Youtian:** Hopson Youtian shall, among other things, apply to Huizhou Land Bureau for the registration of the land use right to obtain the State-owned land use right certificate, develop the Land in accordance with the 大亞灣響水河南部片區控制性詳細規劃 (Daya Bay Xiangshuihe South Control Detailed Plan), city development plan, environmental protection requirements, requirements relating to the developments in the export processing zone, requirements of the PRC State Land Resources Bureau and requirements for the development of industrial projects in the Daya Bay District, which shall possess characteristics of high technology, high value added, high efficiency, low resource consumption, low energy consumption and low emission.
- Hopson Youtian shall commence construction works on the Land by 31 August 2008.

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Responsibility of Huizhou Land Bureau: Huizhou Land Bureau shall deliver the Land to the Group with the Land leveled and roads and drainage system constructed in respect of the Land.

Huizhou Land Bureau shall deliver all parts of the Land to the Group by the end of November 2009.

3. Land Transfer Price

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

The consideration, being the Land Transfer Price, was determined based upon the base price for the transfer of land use right in respect of Land fixed and tendered by Huizhou Land Bureau under the Land Transfer Contract.

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. Hopson Youtian is principally engaged in property development in Huizhou.

The Land is located in Huizhou Daya Bay Economic and Technological Development Zone, West side, Xiangshuihe South, Huizhou. Huizhou is one of the major cities in the southern part of the PRC and is located in the eastern part of the Pearl River Delta, where the Xizhi River joins the Dongjiang River. Huizhou is located at a port of entry and is an industrial centre in the Dongjiang Valley. The Huizhou Daya Bay Economic and Technological Development Zone, approved as a state level development zone, is located in the south of Huizhou, next to Hong Kong and Shenzhen, and is within the most developed and most active economic area of Pearl River Delta. According to the government's plan, the Huizhou Daya Bay Economic and Technological Development Zone will be primarily focused on the development of major industries along the sea side such as oil and gas, information technology, automotive, port logistics, and tourism industries, and investment projects to be carried out in the zone shall be of high technology, high value added, high efficiency, low resource consumption, low energy consumption and low emission. It is expected that the Daya Bay Economic and Technological Development Zone will become one of the prime locations in Huizhou as the export processing centre, and as a result, there will be great potential in the property market in the Daya Bay Economic and Technological Development Zone.

While the Group has already established a presence in the city of Huizhou, the Group has not yet made an entry into the property market in the Daya Bay Economic and Technological Development Zone. The Directors consider that the Transaction will provide an opportunity for the Group to establish its presence in the Daya Bay Economic and Technological Development Zone, a location which the Directors consider to be of growing potential, and hence will have a positive impact on the brand-building of the Group in the Daya Bay Economic and Technological Development Zone as well as the overall business expansion of the Group.

LETTER FROM THE CHAIRMAN

Furthermore, in view of the potential of the property market in the Daya Bay Economic and Technological Development Zone, the Directors believe that the acquisition of the Land will enrich the Group's landbank and will bring forth development potential and opportunity for the Group.

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.

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 Contract 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.

Huizhou Property Exchange Centre is an agent of Huizhou Land Bureau, a government entity, responsible for coordinating the tender bid for the land use right in respect of the Land. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Huizhou Land Bureau, Huizhou Property Exchange Centre and their respective ultimate beneficial owners 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 the long run.

F. FURTHER INFORMATION

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

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	—	915,542,346 ⁽¹⁾	62.18
Mr. Au Wai Kin	—	34,500,000 ⁽²⁾	2.34

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.

(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	915,542,346	62.18

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% 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.