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

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合 生 創 展 集 團 有 限 公 司\*

**HOPSON DEVELOPMENT HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 754)**

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

**PROPOSED CHANGE OF AUDITOR  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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The letter from the board of directors of the Company is set out on pages 3 to 19 of this circular.

The notice convening the special general meeting of the Company (the “**SGM**”) to be held at Unit 4903–10, 49/F., The Center, 99 Queen’s Road Central, Central, Hong Kong on Wednesday, 24 June 2026 at 10:00 a.m. is set out on pages 20 to 21 of this circular.

Whether or not you are able to attend the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

\* *for identification purposes only*

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## DEFINITIONS

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

“2025 Annual Results”	the annual results of the Group for FY2025
“AFRC”	the Accounting and Financial Reporting Council
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of the Company
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Change Announcement”	the announcement of the Company dated 28 April 2026 in relation to the proposed change of auditor
“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
“Director(s)”	the director(s) of the Company
“EY”	Ernst & Young, being the existing auditor of the Company and its subsidiaries (if applicable) proposed to be terminated and removed at the SGM
“FY2025” or “Year 2025”	the financial year ended 31 December 2025
“Crowe”	Crowe (HK) CPA Limited, being the new auditor of the Company and its subsidiaries (if applicable) proposed to be appointed at the SGM
“Delay Announcement”	the announcement of the Company dated 31 March 2026 in relation to, among other things, the delay in publication of its preliminary annual results for FY2025
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	3 June 2026, being the latest practicable date for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITIONS

“PRC”	the People’s Republic of China, which for the purposes of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Appointment”	the proposed appointment of Crowe as the new auditor of the Company and its subsidiaries (if applicable), subject to the Proposed Termination becoming effective and the approval of the Shareholders by an ordinary resolution at the SGM
“Proposed Termination”	the proposed termination of the appointment of EY as the auditor of the Company and its subsidiaries (if applicable), subject to the approval of the Shareholders by an extraordinary resolution at the SGM
“SGM”	the special general meeting of the Company to be held at Unit 4903–10, 49/F., The Center, 99 Queen’s Road Central, Central, Hong Kong on Wednesday, 24 June 2026 at 10:00 a.m. or any adjournment thereof (as the case may be), to consider and approve, the Proposed Termination and the Proposed Appointment
“SGM Notice”	the notice of the SGM which is set out on pages 20 to 21 of this circular
“Shareholder(s)”	holders of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



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CHU Kut Yung (*Chairman*)

ZHANG Fan (*Co-president*)

AU Wai Kin

BAO Wenge

LUO Taibin

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*Independent Non-executive Directors:*

TAN Leng Cheng, Aaron

CHING Yu Lung

IP Wai Lun, William

*Registered Office:*

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Bermuda

8 June 2026

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED CHANGE OF AUDITOR  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Change Announcement.

The purpose of this circular is to provide the Shareholders with information regarding the resolutions to be proposed at the SGM in respect of the Proposed Termination and the Proposed Appointment and to give the Shareholders the SGM Notice and other information in accordance with the requirements of the Listing Rules.

The Board resolved that subject to the passing of the relevant resolutions at the SGM, EY shall be terminated as the auditor of the Company and its subsidiaries (if applicable) and Crowe

\* *for identification purposes only*

## LETTER FROM THE BOARD

shall be appointed as the new auditor of the Company and its subsidiaries (if applicable) to fill the casual vacancy arising from the Proposed Termination of EY and hold office until the conclusion of the forthcoming annual general meeting of the Company or the adjourned meeting thereof (as the case may be).

### PROPOSED TERMINATION OF AUDITOR

Reference is made to the Delay Announcement.

EY was re-appointed as the auditor of the Company for FY2025 at the last annual general meeting of the Company held on 13 June 2025 to hold office until the conclusion of the forthcoming annual general meeting of the Company or the adjourned meeting thereof (as the case may be).

As the Company and its auditor require additional time to complete the audit process of the consolidated financial statements of the Group for FY2025, including, among other things, (i) pending the receipt of replies to certain audit confirmations; (ii) the final drafts and working papers of certain valuation reports are still under review; and (iii) the sufficiency of audit information in relation to going concern assumption assessment is under further discussions by the parties (collectively, the “**Outstanding Matters**”, as disclosed below), the Company was unable to publish the 2025 Annual Results on or before 31 March 2026, and trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2026 until the publication of the 2025 Annual Results.

### Outstanding Matters

Further details of the Outstanding Matters are set out below:

In respect of pending receipt of replies to audit confirmations, these mainly include bank confirmations, trade receivables and trade payables confirmations, and related party confirmations. To the best of the Director’s knowledge and belief, having made all reasonable enquiries, the relevant confirmations could not be timely returned to EY mainly due to certain external reasons, such as the pending completion of internal verification procedures by the relevant parties.

The valuation reports pending review mainly include the valuation reports on inventory impairment, investment properties, long-term equity investment, loan receivables, deferred income tax and guarantee matters. In line with the audit arrangements in prior years, the preparation of the valuation reports involves a large number of projects and relies on the collection, verification and final confirmation of underlying information for each project, and the process is relatively time-consuming. The Company had successively submitted some of the valuation working papers or draft valuation reports to EY in the course of audit work, and had received EY’s comments on certain valuation working papers or draft reports. Certain valuation reports had been progressively refined and finalised after further communication with the valuers based on data updates. Although the Company, together with the valuers, had assessed and responded to those comments, some of the valuation working papers or draft reports did not meet EY’s requirements, or both parties failed

## LETTER FROM THE BOARD

to reach a consensus on the reasonableness of certain key parameters relating to the valuation. Therefore, the two parties failed to form a final view on the valuation results. As a result, the Company was unable to instruct the valuers to issue the final valuation reports on or before 31 March 2026. Due to subsequent adjustments to the audit works, other valuation reports had not been provided to EY.

Regarding the sufficiency of audit information in relation to the going concern assumption, these mainly involved the requirements imposed by EY on audit evidence and information for the relevant matters (such as the letters in relation to waiver of debt default clauses issued by financial institutions, but it was difficult for third-party financial institutions to issue such letters regarding non-standard assurance matters due to their internal control constraints), and to the extent practicable, the Company had obtained alternative written confirmations from financial institutions. Although audit evidence generally does not have a prescribed form/format, the relevant confirmation materials, in terms of their form or format, failed to meet the requirements imposed by EY for this audit, resulting in the Outstanding Matters remaining unresolved between the parties as at the relevant time.

Save for the primary Outstanding Matters stated above, other Outstanding Matters include:

Certain notes to the Group's consolidated financial statements for Year 2025 (such as financial risk notes relating to share price risk and statement of cash flow) involve several key parameters and assumptions and certain accounting items contain significant accounting estimates and judgements (such as fair value of investment properties), which shall be confirmed following ongoing communication and review between the Company and the auditor. As at the relevant time, relevant year-end balance of accounting items and audit matters were still in the process of communication and refinement between the two parties, hence the Company was unable to complete the preparation of the final version of the Group's consolidated statement of cash flows for Year 2025 and the relevant notes on or before 31 March 2026.

Since early January 2026, the Company had been providing EY with funds related information of the Group by batches. As at 26 March 2026, banking information for all of the Company's major subsidiaries had all been provided. Regarding credit reports and bank reconciliation statements for certain bank accounts that the Group was unable to provide, such documents mainly pertained to individual subsidiaries of the Company under liquidation or without substantive business operations, giving rise to certain difficulties in obtaining relevant information. The Company had obtained relevant information by performing alternative procedures. To the best of the Director's knowledge and belief, having made all reasonable enquiries, the relevant matters do not involve material scope limitations and will not cause a material impact on the preparation of the overall financial statements.

The Group was unable to provide supporting documents for detailed testing of certain income and expenses, primarily because the scope of information requirements and sampling scope were subject to ongoing adjustments and supplementation during the audit process. As at the relevant time, most of the information required for the audit has been provided by the Company, while a small portion of the information remained under further review and thus could not be furnished to

## LETTER FROM THE BOARD

the auditor. To the best of the Director's knowledge and belief, having made all reasonable enquiries, the relevant matters do not involve material scope limitations and will not have a material impact on the preparation of the overall financial statements.

In respect of the legal opinion on material pending litigation requested by EY, it mainly relates to a dispute between a subsidiary of the Company (as defendant) and the contractor under the relevant construction contract regarding the construction progress, costs incurred and payment of construction fees, and the case is currently at the first-instance trial stage. In compliance with EY's requirements, the Company had instructed legal counsel to issue opinions on the aforesaid case, and provided the draft legal opinion to EY on 25 March 2026. Due to subsequent adjustments to the audit works, the final version was not provided to EY on or before 31 March 2026.

All the aforesaid Outstanding Matters remained unresolved as at 28 April 2026, being the date of the Reply Letter (as defined below).

Where the Proposed Appointment of Crowe as the auditor of the Company is approved by the Shareholders at the SGM and upon such appointment becoming effective, in order to resolve such Outstanding Matters, Crowe will re-perform audit procedures in respect of the relevant Outstanding Matters in accordance with its formulated audit plan, including rearranging audit confirmations, performing alternative audit procedures where necessary, reviewing and raising queries in respect of the relevant valuation information, and obtaining and comprehensively considering supporting audit evidence for the going concern assessment. Specifically, when performing audit procedures related to the going concern assessment, and after considering EY's position (as mentioned above) and applicable auditing standards, Crowe will adopt a risk-oriented audit approach to assess the major risk areas related to going concern, forming a comprehensive judgment based on multiple pieces of audit evidence. The relevant audit evidence includes, but is not limited to: written confirmations from financial institutions, interview results with creditors or relevant parties, cash flow forecasts prepared by the management, the status of financing arrangements, and measures formulated by the management to address liquidity risks. The reliability of such confirmations will also be assessed in conjunction with their source (such as whether they were obtained from official channels of relevant banks or authorised personnel), the completeness of the content, and their consistency with other audit evidence, so as to assess the sufficiency and appropriateness of the relevant audit evidence on an overall basis. Concurrently, key assumptions will be analysed and subject to cross-verification through the consistency of evidence obtained from different sources.

Under the applicable auditing standards, when obtaining audit evidence, the auditor primarily considers the reliability, relevance and accessibility of the relevant evidence, rather than solely relying on the form/format of the audit evidence itself. Accordingly, in practice, different auditors, or the same auditor in different audit years or under different audit circumstances, may make different judgments and impose different requirements regarding the form/format and scope of the audit evidence required. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the varying requirements imposed by different auditors or by the same auditor in different years primarily reflect the different requirements imposed by auditor

## LETTER FROM THE BOARD

regarding the audit evidence based on the specific facts and circumstances at the time of the relevant audit, the results of risk assessment and its professional judgment on the sufficiency and appropriateness of audit evidence. Such differences generally are not attributable to a single factor.

Based on the aforementioned audit methods and procedures, Crowe will conduct a holistic evaluation of all audit evidence obtained and form an audit conclusion regarding the appropriateness of the going concern assumption based on its professional judgment, and will reflect the relevant matters in the Group's financial statements for FY2025 in an appropriate manner based on the accounting policies and applicable accounting standards.

Other than the going concern assumption, the remaining Outstanding Matters mainly relate to certain supporting information which, at the relevant time, was still under preparation, updating and final confirmation, or pending the receipt of replies to certain audit confirmations that were subject to external third-party confirmation procedures. These matters are subject to a certain degree of sequential dependency, and the relevant audit procedures can only be fully carried out after the final version of the relevant information is determined. To the best of the Directors' knowledge and belief, having made all reasonable enquiries, as at the date of the Reply Letter (as defined below), EY had not raised any material unresolved audit queries in respect of the Outstanding Matters. If the Proposed Appointment of Crowe as the auditor of the Company is approved by the Shareholders at the SGM and such appointment becomes effective, the Company will continue to complete and provide the relevant information relating to the abovementioned Outstanding Matters to Crowe, and will continue to follow up on replies to the relevant audit confirmations. On this basis, Crowe will be able, in accordance with its audit approach, to carry out an overall planning and execution of the relevant matters from the initial stage of the audit process, including performing an integrated review of the valuation models, key assumptions, inputs and related analyses, and performing further audit procedures as necessary, thereby facilitating the completion of the relevant matters.

The Group had used its endeavours to work with EY with a view to resolving the Outstanding Matters and addressing its audit demands and scope of audit procedures and the extent of audit evidence for the assessment of going concern assumption. After considering the facts and circumstances and discussing with the management of the Company, the Audit Committee, having been delegated the power to oversee the effectiveness of the external auditor, was of the view with the management, and the Board concurred, that it would be difficult for the Group and its auditor to finalise the audit works of the 2025 Annual Results within the definite timetable as both parties were still unable to reach an agreement on the scope of audit procedures and the extent of audit evidence for the assessment of going concern assumption, and therefore it would be in the best interest of the Company and the Shareholders as a whole to replace EY with another accounting firm, and made a recommendation to the Board (and the Board has approved) to seek the approval of the Shareholders regarding the Proposed Termination of EY as the auditor of the Company.

On 28 April 2026, the Company served EY a special notice for the Proposed Termination pursuant to section 89(5) of the Companies Act 1981 of Bermuda. On the same date, the Company received a reply letter to the special notice from EY (the "**Reply Letter**"). Set forth below is a

## **LETTER FROM THE BOARD**

summary of the matters mentioned by EY in its Reply Letter that need to be brought to the attention of the Shareholders and creditors of the Company:

On 31 March 2026, EY communicated to the management of the Company the Outstanding Matters for the FY2025 audit. Among the Outstanding Matters as communicated with the Board, EY would like to bring to the attention of the Shareholders or creditors of the Company that, up to 28 April 2026, being the date of the Reply Letter, the management of the Company had not provided sufficient and appropriate audit evidence to EY to support its going concern assessment of the Group, and accordingly, EY was unable to satisfy themselves whether the going concern assumption for the preparation of the Group's FY2025 consolidated financial statements was appropriate at this stage.

EY confirms that save as disclosed above, there are no circumstances connected with the Proposed Termination which EY considers should be brought to the attention of the Shareholders or creditors of the Company.

The Board has reviewed the Reply Letter and concurs with the Audit Committee's view to replace EY with another accounting firm, and considers that subject to the review and audit works by the new auditor, the Company will resolve the Outstanding Matters in accordance with its accounting policies and applicable accounting standards and will appropriately reflect the relevant matters in the Group's financial statements for FY2025 for the publication of the 2025 Annual Results.

Save as disclosed above, the Board and the Audit Committee have confirmed that there is no disagreement between the Company and EY, and there is no matter in respect of the Proposed Termination that needs to be brought to the attention of the Shareholders.

The Board expresses its gratitude to EY for its professional services and support provided to the Company in the past years.

### **PROPOSED APPOINTMENT OF NEW AUDITOR**

The Board, with the recommendation of the Audit Committee, further proposes to appoint Crowe as the new auditor of the Company and its subsidiaries (if applicable) to fill the casual vacancy following the Proposed Termination of EY (if approved by the Shareholders at the SGM) and to hold the office until the conclusion of the forthcoming annual general meeting of the Company or the adjourned meeting thereof (as the case may be) (if approved by the Shareholders at the SGM and subject to the completion of the relevant audit service engagement).

### **CHRONOLOGY OF EVENTS**

Set out below is the detailed chronology of events leading to the Company's proposed change of auditor:

From mid-February to March 2026, in relation to the progress of the Year 2025 audit, the Company's management and the Board (including members of the Audit Committee) continuously

## LETTER FROM THE BOARD

followed up on and discussed material matters affecting the Year 2025 audit (including the Outstanding Matters subsequently provided by EY), and communicated and coordinated with EY to collect audit evidence to facilitate the effective progression of the audit works.

During the period, the Audit Committee held multiple discussions with management and further reviewed and considered the relevant financial information and audit evidence. It also held separate discussions with EY in the absence of the Company's management and employees to understand the details of the relevant matters, continuously monitored the progress of the Year 2025 audit works, and urged the management to actively liaise with EY, the valuers and the relevant professional advisors and to provide information requested by the auditors in a timely manner.

During the audit period, the Company and EY continued to communicate on the progress of the audit. As the parties were still unable to reach a consensus on the adequacy of the going concern assumption at the end of March 2026, it would hinder the timely approval and publication of the 2025 Annual Results announcement. The Company immediately reported the relevant issues and the potential delay in the publication of the results to the Board (including all members of the Audit Committee), whilst indicating that it would still endeavour to resolve the Outstanding Matters with EY and push forward the completion of the audit works with an aim to publishing the 2025 Annual Results on or before 31 March 2026.

On 31 March 2026, the Company's management confirmed that as the Outstanding Matters remained unresolved, the Company would not be able to publish the 2025 Annual Results on 31 March 2026 and would need to apply for a trading suspension. The Audit Committee communicated and followed up with EY in the absence of the Company's management and employees. The Company was actively considering various approaches (including but not limited to continuing its efforts to liaise and communicate with EY and a possible change of auditor) in order to resolve the Outstanding Matters as soon as possible, and to complete the audit work and the 2025 Annual Results. On the same day, the Company issued the Delay Announcement and applied to the Stock Exchange for the suspension of trading in the Company's shares on the Stock Exchange. Trading in the Company's shares on the Stock Exchange has been suspended from 9:00 a.m. on 1 April 2026 until the publication of the Company's 2025 Annual Results.

In April 2026, the Company's management continued its attempts to liaise and coordinate with EY and considered the subsequent audit arrangements on the one hand; and on the other hand, considered replacing EY with another accounting firm as a backup plan, actively identified suitable replacement auditor candidates, and reported the same to the Board (including all members of the Audit Committee) on multiple occasions. The Audit Committee also held separate communications with the proposed replacement auditor candidates to discuss the Company's proposed change of auditors, the Outstanding Matters raised by EY, their views on the feasibility of proposed resolution arrangements, as well as the relevant audit experience, expected audit timetable, anticipated audit fees, resource deployment and independence of such auditors. After comprehensive consideration of the above factors and the relevant guidance issued by AFRC, the Audit Committee considered Crowe to be a suitable candidate to replace EY as the Company's auditor, and had no objection to its independence.

## LETTER FROM THE BOARD

On 27 April 2026, after considering the relevant facts and circumstances and upon careful deliberation, the Audit Committee endorsed the management's proposal, and the Board also agreed that as the Company and EY were still unable to reach a consensus on the audit procedures and scope of audit evidence for the assessment of going concern assumptions, it would be difficult to complete the audit work of the 2025 Annual Results within the definite timetable. To resolve the current deadlock, accelerate the audit work of the 2025 Annual Results, and avoid any further potential delay in the publication of the 2025 Annual Results, and for the best interests of the Company and its Shareholders as a whole, the Audit Committee recommended to the Board the Proposed Termination of EY and the Proposed Appointment of Crowe, which the Board approved.

On 28 April 2026, the Company served a special notice on the Proposed Termination to EY, and a notice on the Proposed Appointment to Crowe. On the same day, the Company received a reply letter from EY in respect of the special notice and published the Change Announcement. In addition, as at the date of the Change Announcement, all audit fees and expenses payable to EY had been fully settled by the Company. On 3 June 2026, the Company served another special notice on the Proposed Termination to EY, and another notice on the Proposed Appointment to Crowe to notify them of the SGM to be held on Wednesday, 24 June 2026.

### **Proposed Audit Plan of Crowe**

The Company has communicated with Crowe in respect of the Outstanding Matters. Crowe initially considered the Company's proposed resolution feasible and agreed to commit resources to cooperate with the Company in completing the audit for Year 2025 as soon as possible. Accordingly, the Company is confident that, subject to the Shareholder's approval of the Proposed Appointment of Crowe as the Company's auditor at the SGM and the completion of the relevant audit services engagement, the Outstanding Matters will be resolved in accordance with its accounting policies and applicable accounting standards, and such issues will be appropriately reflected in the financial statements of the Group for Year 2025, so as to publish the 2025 Annual Results as soon as practicable.

In addition, having regard to the Group's scale and structure, business operations and financial reporting risks, Crowe has tailor-made a detailed accelerated Year 2025 audit plan for the Group. The plan has taken into account public holidays and allocated necessary resources to ensure the timely completion of the Year 2025 audit. The approach starts with obtaining an understanding of the Group's business, internal controls and key risk areas, with particular focus on cash flow and going concern assumptions. Audit work will be prioritised on subsidiaries and relevant transactions that are most likely to impact the financial statements.

In respect of the audit on the Outstanding Matters, Crowe will perform further targeted audit procedures in accordance with applicable auditing standards and its formulated audit plan to obtain sufficient and appropriate audit evidence. As the Group's new auditor (if approved by the Shareholders at the SGM), Crowe will rearrange and issue audit confirmations including banks, trade receivables, trade payables and related party confirmations for the relevant audit period, and maintain close communication with the management to follow up on confirmation responses. If replies to certain confirmations cannot be obtained within a reasonable timeframe, Crowe will design and perform appropriate alternative audit procedures in compliance with applicable auditing

## LETTER FROM THE BOARD

standards. For valuation-related issues, Crowe will arrange its in-house valuation experts to participate in the audit work and assist the audit team in independently assessing and critically raising queries in respect of the valuation methodologies, key assumptions and results adopted in the Group's relevant valuation reports, so as to form an independent audit judgment on the reasonableness of the valuation conclusions. In relation to the going concern assessment, Crowe will review and prudently evaluate the cash flow forecasts and going concern plans prepared by management. Where appropriate, it will understand the current intention of relevant lenders in supporting the Group's going concern through interviews and/or written communication (such as email confirmation). The above procedures do not constitute reliance solely on third-party confirmation, but will be formed as a part of the audit evidence and considered comprehensively together with other audit evidence obtained to assess the appropriateness of the going concern assumption adopted in the financial statements.

### **Proposed Audit Timetable and Procedures**

Crowe will need to re-review the Year 2024 financial statements and conduct a full audit for the Year 2025, and the Company will bear the relevant audit fees. The proposed audit timetable and procedures set out by Crowe are as follows:

The first phase of audit work will commence in mid to late June 2026, including holding a pre-audit meeting with the management, formulating the overall audit strategy, confirming the audit scope, reviewing the working papers of the outgoing auditor, conducting audit sampling, discussing the audit plan with the Audit Committee, and issuing an information requisition list.

The second phase of audit work is scheduled to commence between late June and late July 2026. During this period, the Group shall provide all information requested by Crowe in accordance with the information requisition list, and Crowe will proceed with internal control testing and substantive audit procedures.

Based on the preliminary plan, Crowe expects to complete the above audit work for the Year 2025 by early August 2026. Accordingly, the 2025 Annual Results is expected to be published by late August 2026, subject to the completion of all audit works agreed upon with Crowe.

Having reviewed the proposed audit timetable prepared by Crowe and after thorough communication and discussion with Crowe, and taking into account the following factors, the Audit Committee considers the timetable to be reasonable and feasible and not to compromise the audit quality:

- (i) The scale and complexity of the Group's business, the scope of the audit, the audit resources proposed to be deployed by Crowe, and the execution arrangements for the relevant audit work;
- (ii) Prior to assuming the role of the Group's auditor, Crowe has conducted relevant pre-appointment due diligence work and has established a preliminary understanding of the Group's business operations, major risk areas, and internal control environment;

## LETTER FROM THE BOARD

- (iii) Crowe intends to adopt a risk-oriented audit approach, prioritizing the allocation of audit resources to areas involving significant judgments or higher risks (including investment property valuation, inventory impairment, and going concern assessment etc.), and optimizing audit procedure arrangements and project management to ensure that key audit procedures can be completed within the appropriate timeframe; and
- (iv) Crowe will deploy experienced senior personnel (including partners and directors) to be responsible for audit coordination, judgment on significant matters, and review work, and has established internal review and quality control procedures to ensure audit quality.

### **Proposed Resource Commitment**

Crowe proposes to commit a substantial and multi-tiered audit team with adequate resource to conduct the Group's audit work for the Year 2025. Under the current audit planning, approximately 50 professional staff in total will be deployed, covering member firms in Hong Kong and Mainland China. The team comprises personnel at all levels including partners, directors, managers, senior auditors and junior audit staff, as well as relevant functional departments in Hong Kong and Mainland China, to support and meet the audit requirements of the Group's businesses across different regions. In addition to being staffed with professional personnel possessing audit experience in real estate industry, the audit team is also supported by experienced partners and senior personnel responsible for audit coordination, review of significant audit judgments, and quality control. This structure enables the audit team to strengthen the review and quality control over key audit areas while carrying out on-site audit procedures, thereby ensuring the overall quality of the audit work.

Based on Crowe's preliminary assessment and taking into account the size of the proposed audit team and the work arrangements of personnel at various levels, the estimated total audit hours for this audit engagement is approximately 21,000 hours. This estimate is derived based on Crowe's overall audit plan and resource allocation, while comprehensively taking into account the Group's business scale, geographical distribution, operational complexity, and relevant significant audit risk areas (including but not limited to investment property valuation, inventory impairment assessment, and going concern assessment), as well as the fact that this is Crowe's first engagement as the auditor of the Group and the additional work it is required to undertake (such as performing relevant review procedures on the opening balances of the Group's 2025 financial statements).

The composition, qualifications and relevant industry experience of Crowe's team members, together with their familiarity with the requirements of the Stock Exchange and applicable accounting standards, are considered sufficient to ensure the effective and efficient execution of all audit procedures in accordance with the agreed timetable. Furthermore, after considering the Group's audit arrangements in prior years, the Audit Committee is of the view that the size of the audit team proposed to be deployed by Crowe, the hierarchy and structure of its personnel, and its coverage are generally comparable to the resources allocated by the Group's previous auditors and those typically deployed for audit engagements of listed groups of a similar scale and complexity in the market.

## LETTER FROM THE BOARD

In light of the above, the Audit Committee is of the view that the proposed resources to be deployed and the proposed audit timetable set by Crowe is reasonable and sufficient to complete all necessary audit procedures and resolve the Outstanding Matters without compromising audit quality, and that the resources proposed to be deployed are adequate to support the aforesaid audit timetable.

### **Resolving the Outstanding Matters**

As disclosed above, the Company did not refuse to provide the relevant information in respect of the Outstanding Matters. Instead, despite its best efforts to cooperate during the audit process, differences arose between the Company and the existing auditor in respect of the required form/format of the information, or the Company was unable to provide documents in the requested standards/format due to other external third-party reasons in respect of audit information in relation to the going concern assumption, details of which are disclosed in the section headed “Outstanding Matters” in this letter from the Board above. Whilst the Company had, within the practicable scope, endeavoured to resolve the Outstanding Matters and to address the auditor’s audit requirements, the scope of audit evidence for the going concern assumption assessment. In this regard, upon becoming aware of the Outstanding Matters, the Audit Committee had exercised its best efforts to actively promote the resolution of related issues by taking various measures, including but not limited to: (i) holding multiple separate meetings with EY in the absence of the Company’s management and employees to maintain close and effective dialogue, and to understand and discuss the specific circumstances of the relevant matters; (ii) proposing alternative solutions and resolutions for certain matters (such as certain audit evidence) and discussing their feasibility with EY; (iii) continuously monitoring the progress of the audit work and requesting the management to provide required information in a timely manner; and (iv) urging the management and EY to enhance communication with valuers and relevant professional advisors so as to facilitate the implementation of the matters and expedite the completion of the Year 2025 audit. Despite the implementation of the aforementioned measures and the efforts made by all parties, a consensus on the resolution of the Outstanding Matters could not be reached within a reasonable timeframe.

Both the Board and the Audit Committee consider that the Proposed Appointment of Crowe to replace EY as the Company’s auditor will help resolve the current deadlock with EY, expedite the audit of the 2025 Annual Results, enable the Company to re-comply with the relevant Listing Rules as soon as practicable, and avoid any further potential delay in the publication of the 2025 Annual Results. The Audit Committee has reviewed Crowe’s proposed audit plan, held separate meetings with Crowe to discuss the proposed change of auditors, the Outstanding Matters and the feasibility of proposed resolution arrangements, as well as its relevant audit experience, expected audit timetable, anticipated audit fees, resource commitment and independence. The Audit Committee considers (and the Board concurs) that its audit team possesses sufficient resources to ensure the effective and efficient completion of audit work in accordance with the agreed timetable.

Based on the foregoing, although the Proposed Appointment of Crowe as the auditor of the Company would incur additional audit fees (being the audit service fees charged by Crowe for the re-audit of the Group’s consolidated financial statements for Year 2025 and performing related review procedures on the opening balances of the Group’s financial statements for Year 2025 upon the appointment of Crowe as the new auditor of the Company) and time, the Board and the Audit

## **LETTER FROM THE BOARD**

Committee consider that if the auditor is not changed, the Company will remain in the current deadlock with EY and will be unable to move forward with the completion of the audit of the Group's consolidated financial statements for Year 2025, and further consider that the proposed change of auditor would resolve the Outstanding Matters and facilitate the audit works of the Group for Year 2025 so as to publish the 2025 Annual Results of the Company as soon as practicable, and is therefore fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **Estimated Audit Fees of Crowe**

The Audit Committee estimates (and the Board concurs) that after considering (including but not limited to) the proposed audit resources to be deployed by Crowe, the estimated total audit hours (approximately 21,000 hours), the Group's business scale and geographical distribution, relevant audit risk areas, and the additional work required, the present and past audit fees as well as the prevailing market rate of audit service for similar listed issuers, and based on the assumption of the expected audit scope, audit timetable and auditors' resources required in FY2025, the estimated total audit fee (for the audit services only) of Crowe for the audit of the Group's consolidated financial statements for FY2025 will range from approximately RMB8.5 million to approximately RMB10 million (including the audit review works of the Group's consolidated financial statements for the financial year ended 31 December 2024), and is of the view that such estimated audit fee is reasonable and commensurate with the scope and complexity of the required audit work and will not compromise the audit quality. The final audit fee shall be agreed between the Company and Crowe on an arm's length basis (if the Proposed Appointment is approved by the Shareholders at the SGM).

### **ASSESSMENT BY THE AUDIT COMMITTEE**

The Audit Committee has considered a number of factors in assessing the appointment of Crowe in accordance with its duties under the terms of reference of the Audit Committee, including but not limited to:

- (i) the Proposed Termination of EY and the Proposed Appointment of Crowe in place of EY as the auditor of the Company and its subsidiaries (where applicable) and the possible impacts on the audit of the Group's consolidated financial statements for FY2025;
- (ii) the draft engagement letter in respect of the Proposed Appointment of Crowe as the auditor of the Company;
- (iii) the experience, industry knowledge, technical competence and calibre of Crowe, including but not limited to its experience in handling audit work for companies listed on the Stock Exchange, its familiarity with the requirements under the Listing Rules and Hong Kong Financial Reporting Standards;
- (iv) the audit approach and audit proposal of Crowe;

## LETTER FROM THE BOARD

- (v) its independence from the Group and objectivity;
- (vi) its reputation in the market and track record;
- (vii) its resources and capability, including the size and structure of the proposed audit team; and
- (viii) the relevant guidelines issued by AFRC, including the Guidelines for Effective Audit Committees — Selection, Appointment and Reappointment of Auditors.

In addition, the Audit Committee notes that (i) EY has substantially completed the audit for the Year 2025, and all audit fees and expenses payable to EY have been fully settled by the Company; and (ii) the appointment of Crowe as the new auditor will incur additional audit fees. Notwithstanding the above considerations, the Audit Committee has resolved to recommend to the Board the Proposed Termination of EY and the Proposed Appointment of Crowe in place of EY as the auditor of the Company and its subsidiaries (where applicable). This decision is based on the fact that the requirements imposed by EY on audit supporting information for certain Outstanding Matters are difficult for third parties to comply with. Although the Company has provided alternative audit evidence where practicable, the format of the relevant information failed to meet the requirements raised by EY for the current audit. As a result, the Outstanding Matters remain unresolved between the parties, creating uncertainty over the timetable for the publication of the 2025 Annual Results, which constitutes one of the key requirements for resumption of trading. The appointment of a new auditor will accelerate the audit procedures, resolve the Outstanding Matters in accordance with its accounting policies and applicable accounting standards, and appropriately reflect the relevant matters in the Group's financial statements for the Year 2025, helping to ensure the completion of audit work in a more effective and efficient manner.

In evaluating and selecting Crowe for recommendation to the Board as the Company's new auditor, the Audit Committee has taken into account the criteria set out in the Guidelines for Effective Audit Committees — Selection, Appointment and Reappointment of Auditors issued by the AFRC. In addition to the issues set out above, the Audit Committee has considered the following factors:

- (i) **Governance and Leadership** — The Audit Committee has reviewed Crowe's governance structure and leadership, and acknowledges its firm commitment to audit quality and public interest. The firm's organisational structure and experienced staff, many of whom have background of Big Four Accounting Firms, support effective supervision and resource allocation so as to ensure high-quality audit services. The head of Crowe's quality control system assumes ultimate responsibility and accountability for the firm's quality management system, and possesses over 40 years of experience with the authority and expertise to effectively discharge its duties. The Audit Committee has conducted a rigorous assessment of the qualifications and internal resources of the incoming auditor and considers them sufficient to meet the Group's requirements.

## LETTER FROM THE BOARD

Overall, the Audit Committee is satisfied that Crowe's governance and leadership arrangements ensure accountability, transparency and the delivery of high-quality audit services.

- (ii) **Compliance with Relevant Ethical Requirements** — Crowe is committed to providing quality services and adhering to its quality control policies and procedures. The results of its annual evaluation monitoring are satisfactory, and no threats to independence have been identified by the audit engagement team. To the best of the Audit Committee's information and belief, Crowe is independent from the Directors of the Company. There are no existing business relationships between Crowe and the Company, nor has Crowe provided any non-audit services to the Company.
- (iii) **Operational Performance** — Crowe has proposed a feasible timetable for completing the Year 2025 audit. The Audit Committee considers that its detailed and executable audit plan means more effective engagement performance which is a testament to its audit quality. Crowe's audit methodologies comply with the HKICPA Auditing Practice Manual and the Crowe Global Audit Manual, fully reflecting the scope and characteristics of audit engagements. In addition, its audit strategy including budget allocation demonstrates that audit engagement partners have sufficient time for supervision and oversight, and key members of the audit engagement team have sufficient time to perform audit procedures. Crowe adopts a risk-based audit approach, which focuses on identified risks and tailors procedures according to unique business circumstances and environment.
- (iv) **Industry Knowledge and Technical Competence** — Crowe has provided audit services to a number of listed real estate companies based in Chinese Mainland, and possesses a sound understanding of China's real estate sector as well as the Group's business and operational model. In addition, Crowe has expertise covering different areas (including taxation, valuation and legal issues) to support its audit teams in addressing complex technical issues specific to listed entities.
- (v) **Communication and Interaction with the Audit Committee** — Crowe maintains regular communication with the Audit Committee, particularly at the planning and completion stages of the audit, and the communications between both parties are clear and efficient. Both parties have a full understanding of the audit progress, especially current audit issues (particularly the Outstanding Matters together with the proposed resolution plans) and the proposed alternative resolution under different scenarios, the allocation of adequate and sufficient resources and the importance to complete audit work in a timely manner.
- (vi) **Monitoring Procedures** — To the best of the Audit Committee's knowledge and belief, it is not aware of any acts or activities of Crowe that would threaten its integrity, objectivity and independence or adversely affect the quality of its audit, and is not aware of any outstanding regulatory sanctions imposed on Crowe or any members of the audit engagement team (including the engagement partner, engagement quality control

## **LETTER FROM THE BOARD**

reviewer and other key team members) over the past five years. Crowe has confirmed that no members of the audit team are subject to any past or ongoing regulatory proceedings. According to the Public Interest Entity Auditor Register maintained by the Hong Kong Institute of Certified Public Accountants, Crowe has no record of sanctions imposed by the AFRC or disciplinary orders issued by the HKICPA Disciplinary Committee in the past five years.

Furthermore, the Audit Committee has considered the proposed audit fees of each auditor candidate together with their respective audit approach, scopes of work and allocation of audit resources. Having reviewed the proposal submitted by Crowe regarding its fees and background, the Audit Committee is of the view that such fees are commensurate with the size, structure, and the nature and complexity of the business and operations of the Group. Most importantly, the Audit Committee is satisfied that the audit quality of Crowe will not be compromised and that the proposed audit timetable is achievable.

Based on the foregoing, the Audit Committee considered Crowe to be independent, eligible, suitable, competent and capable to act as the new auditor of the Company, and that as a sizeable and established accounting firm, it should be able to devote appropriate and adequate resources to handle the Group's audit work for FY2025.

The Board and the Audit Committee are of the view that the Proposed Termination of EY and the Proposed Appointment of Crowe at a reasonable fee would facilitate the audit process in finalising the 2025 Annual Results in an effective manner and enable the Company to re-comply with the relevant requirements of the Listing Rules as soon as practicable to avoid any further potential delay in the publication of the 2025 Annual Results and are therefore in the best interest of the Company and its Shareholders as a whole, and save as disclosed herein, there are no other matters or circumstances in connection with the Proposed Termination and the Proposed Appointment that need to be brought to the attention of the Shareholders.

### **IMPLICATIONS OF THE BYE-LAWS AND THE LISTING RULES**

Pursuant to Bye-law 154(3) of the Bye-laws, the Shareholders may, at any general meeting convened and held in accordance with the Bye-laws, by extraordinary resolution remove the auditor of the Company at any time before the expiration of its term of office and shall by ordinary resolution at that meeting appoint another auditor in its stead for the remainder of its term.

Pursuant to Rule 13.88 of the Listing Rules, (a) the Company must not remove its auditor before the end of the auditor's term of office without first obtaining Shareholders' approval at a general meeting; (b) the Company must send a circular proposing the removal of the auditor to the Shareholders with any written representations from the auditor not less than 10 business days before the general meeting; and (c) the Company must allow the auditor to attend the general meeting and make written and/or verbal representations to the Shareholders at the general meeting.

## **LETTER FROM THE BOARD**

In compliance with the Bye-laws and the Listing Rules, the Proposed Termination will be proposed at the SGM as an extraordinary resolution, and the Proposed Appointment will be proposed at the SGM as an ordinary resolution.

### **THE SGM**

The SGM will be convened and held by the Company at Unit 4903–10, 49/F., The Center, 99 Queen's Road Central, Central, Hong Kong on Wednesday, 24 June 2026 at 10:00 a.m., for the purposes of considering and, if thought fit, approving the Proposed Termination and the Proposed Appointment.

The SGM Notice is set out on pages 20 to 21 of this circular.

According to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the SGM will be taken by way of poll. After the SGM, an announcement regarding the poll results will be published on the respective websites of the Stock Exchange and the Company.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the resolutions proposed to be approved at the SGM.

A form of proxy for the SGM for use by the Shareholders is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

### **CLOSURE OF THE REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 18 June 2026 to Wednesday, 24 June 2026 (both dates inclusive) for determining the identity of the Shareholders who are entitled to attend and vote at the SGM. No transfer of Shares will be registered during this period. In order to be eligible to attend and vote at the SGM, all transfer of Shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 17 June 2026. The record date for determining the Shareholders' eligibility to attend and vote at the SGM is Wednesday, 24 June 2026.

## LETTER FROM THE BOARD

### RECOMMENDATION

Having considered the circumstances as set out above, the Board is of the view that the Proposed Termination and the Proposed Appointment are in the best interests of the Company and the Shareholders as a whole. As such, the Board recommends that the Shareholders vote in favour of all the resolutions set out in the SGM Notice.

### RESPONSIBILITY STATEMENT

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

Yours faithfully,  
By Order of the Board  
**Hopson Development Holdings Limited**  
**Chu Kut Yung**  
*Chairman*

# NOTICE OF SPECIAL GENERAL MEETING



合 生 創 展 集 團 有 限 公 司\*

**HOPSON DEVELOPMENT HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 754)**

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

**NOTICE IS HEREBY GIVEN** that a special general meeting of Hopson Development Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) (the “**SGM**”) will be held at Unit 4903–10, 49/F., The Center, 99 Queen’s Road Central, Central, Hong Kong on Wednesday, 24 June 2026 at 10:00 a.m., for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

## **EXTRAORDINARY RESOLUTION**

1. “**THAT** Ernst & Young be and is hereby removed as the auditor of the Company and its subsidiaries (if applicable) with immediate effect.”

## **ORDINARY RESOLUTIONS**

2. “**THAT** subject to the passing of the resolution 1 above, Hong Kong Crowe (HK) CPA Limited be and is hereby appointed as the auditor of the Company and its subsidiaries (if applicable) to fill the casual vacancy following the termination of Ernst & Young as the auditor of the Company and its subsidiaries (if applicable), and to hold office until the conclusion of the forthcoming annual general meeting of the Company or the adjourned meeting thereof (as the case may be), and that the board of directors of the Company be and is hereby authorised to fix its remuneration.”
3. “**THAT** the board of directors of the Company, any director(s) of the Company or any other person authorised by the directors of the Company be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they may consider necessary, desirable or expedient or in the interest of the Company to give effect to the foregoing resolutions.”

By Order of the Board  
**Hopson Development Holdings Limited**  
**Chu Kut Yung**  
*Chairman*

Hong Kong, 8 June 2026

\* *for identification purposes only*

## NOTICE OF SPECIAL GENERAL MEETING

*Principal Office:*

Unit 4903–10, 49/F.  
The Center  
99 Queen’s Road Central  
Central  
Hong Kong

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Notes:*

- (1) Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to attend and vote in his/her stead. Any such member who is a holder of two or more shares may appoint more than one proxy to attend and vote in his/her stead. A proxy need not be a member of the Company but must be present in person to represent the member.
- (2) For determining the entitlement of shareholders of the Company (the “**Shareholders**”) to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 18 June 2026 to Wednesday, 24 June 2026 (both dates inclusive) during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the SGM, all transfer of shares accompanied by the relevant share certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 17 June 2026. The record date for determining the Shareholders’ eligibility to attend and vote at the SGM is Wednesday, 24 June 2026.
- (3) In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notorially certified copy of that power of attorney or other authority, must be deposited at the Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the said meeting or any adjournment thereof.
- (4) Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 8 June 2026.
- (5) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
- (6) References to time and dates in this notice are to Hong Kong time and dates

*As at the date of this notice, the Board comprises eight Directors. The executive directors are Ms. Chu Kut Yung (Chairman), Mr. Zhang Fan (Co-president), Mr. Au Wai Kin, Mr. Bao Wenge and Mr. Luo Taibin; and the independent non-executive directors are Mr. Tan Leng Cheng, Aaron, Mr. Ching Yu Lung and Mr. Ip Wai Lun, William.*