

[For Immediate Release]



合生創展集團有限公司  
HOPSON DEVELOPMENT HOLDINGS LIMITED

**HOPSON ANNOUNCED ANNUAL RESULTS 2005**  
**ACHIEVED RECORD-BREAKING TURNOVER OF HK\$6,134 MILLION**

**Financial Highlights**

For the year ended 31 December	2005 HK\$'000	2004 HK\$'000 (Restated)	Change (%)
Turnover	<b>6,133,894</b>	3,973,184	+54%
Gross profit	<b>1,944,619</b>	1,077,414	+ 80%
Profit attributable to Shareholders	<b>1,217,323</b>	432,785	+ 181%
Basic earnings per share	<b>HK 113 cents</b>	HK43 cents	+ 162%
Proposed final dividend	<b>HK 24.2 cents</b>	HK6 cents	+ 303%
Total dividend for the year	<b>HK 33.95 cents</b>	HK9 cents	+ 277%

(13 April 2006 – Hong Kong) – Hopson Development Holdings Limited (“Hopson” or the “Company”, together with its subsidiaries, the “Group”; Stock code: 754) announced today its annual results for the year ended 31 December 2005.

For the year ended 31 December 2005, the Group has recorded an outstanding operational performance and achieved a record-breaking turnover of HK\$6,134 million, increased by 54% when compared to last year. Profit attributable to shareholders was HK\$1,217 million. Earning per share grew by 162% over 2004 to HK113 cents. The Board of Directors recommended the payment of a final dividend of HK24.2 cents per share for the year ended 31<sup>st</sup> December, 2005. Together with the interim dividend of HK9.75 cents per share, the total dividend payout per share for the year was HK33.95 cents, representing a 277% increase as compared to HK9 cents in 2004.

Commenting on the Group’s annual results, Dr. Wu Jiesi, Managing Director and CEO of Hopson, said, “In 2005, China’s economy was robust and continued to grow vigorously, the PRC GDP in 2005 grew by 9.9% over 2004 to more than RMB18,000 billion. Though the PRC government adopted a series of macroeconomic austerity measures, which has brought forth various degrees of short-term impact to different geographically located property markets in the PRC, our Group still achieved record-breaking results by leveraging our balanced geographically spread, low cost and high quality land bank, and maintaining the premium quality of our products.”

Total turnover for 2005 was HK\$6,134 million, with 97% from the sale of properties and the balance from property management, rental and hotels. The Group had a total of 21 projects (including our jointly controlled entity Guangzhou Regal Riviera in which our Group has 69.5% interest). Total revenue from the sales of properties in 2005 was HK\$5,954 million (HK\$ 3,826 million in 2004) with 1,043,000 sq.m. GFA delivered (744,000 sq.m. GFA in 2004), excluding HK\$819 million (representing 117,000 sq.m.) from Guangzhou Regal Riviera. Gross profit margin for 2005 increased to 32% from 27% for 2004. This was mainly attributable to higher selling prices and on-going cost control scheme. Strong performance

recorded in Guangzhou and Beijing, with turnover increased by 27% 23% as compared to those of 2004, respectively. We started to record revenue contributions from Shanghai and Tianjin as we began to deliver our completed units to buyers in these two cities. In terms of percentage of turnover for sale of properties, contributions from Guangzhou, Beijing, Shanghai and Tianjin were 47%, 34%, 10% and 9% respectively. Net profit margin also increased substantially to 20% as compared to 11% for 2004.

We believe the key differentiating factors amongst PRC property developers are the size, the cost and the quality of the land banks. As such, we continue to acquire quality sites in our core operating areas aggressively. As of December 31, 2005, our land bank amounted to a GFA of 12.95 million sq.m. In 2005, we entered into several agreements to acquire a GFA of 2.4 million sq.m., of which approximately a GFA of 1.55 million sq.m. had been included in our land bank. After completion of these agreements, our land bank will increase to approximately a GFA of 13.8 million sq.m.

During the year under review, the Group had rationalized its capital structure to strengthen its financial position by way of debt and equity financing. In August 2005, the Company secured Temasek Holdings (Private) Limited and Tiger Global L.P. as its strategic shareholders. We issued 10% new shares of the Company's outstanding shares at the time to each strategic investor, and such shares are still held by the investors. Currently, each strategic shareholder has approximately 8.3% shareholding interest in the Company. In November 2005, the Group issued a global bond of US\$350 million. The credit ratings of the bond (BB+ and Ba1 by S&P and Moody's respectively) are the highest ratings attained by non-state owned PRC companies so far. The deal was named the "Best High-Yield Bond" by ASIAMONEY. After the bond issue, our debt repayment profile has been lengthened from 1.2 year to 3.5 years.

Talking about the prospects of the Group, Dr. Wu concluded, "We believe the Government will introduce austerity measures from time to time to strike a balance to encourage home ownership and to curb speculative activities; however, we are of the view that such measures are conducive to a healthier operating environment in terms of price and volume growth in a longer term. Further, as a result of these measures, the sector will go through a consolidation phase that will post opportunities to larger developers like Hopson. Given the imminent hosting of the Asian Games in Guangzhou in 2009, the forthcoming Olympics in Beijing in 2008 and the World Expo in Shanghai in 2010, where our Group core operating areas are located, we are optimistic of the outlook of the property market. We have the aspiration to emerge as the leading property developer in the PRC, and we will continue to expand through organic growth as well as M&A opportunities. Last but not least, we strive to enhance corporate governance. After the equity placement, our Board has been expanded to include the representatives from Temasek and Tiger. While our goal is to maximize return for our shareholders, we will follow the international best practices."

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