



## Hopson Announces 2016 Annual Results

\*\*\*

### Consolidated Strategic Strength Promoted Diversified Business Development

#### Financial Highlights

For the year ended 31 December	2016 HK\$ million (Audited)	2015 HK\$ million (Audited)
Revenue	16,256	12,845
Profit attributable to equity holders	3,868	1,646
Underlying profit*	2,040	701
Basic earnings per share (HK\$)	1.74	0.74

\* Excluding the effect of the net of tax gain from investment property revaluation, the net of tax gain from the investment property revaluation of two joint ventures, the net of tax gain on disposal of land, adding the net of tax loss on investments, the net of tax goodwill impairment and the costs on early redemption of senior notes

(31 March 2017 — 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 2016.

During the reporting period, the Group recorded a revenue of HK\$16,256 million, representing a year-on-year increase of 26.6%. Profit attributable to shareholders increased year-on-year by 135% to HK\$3,868 million. Basic earnings per share amounted to HK\$1.74. Excluding the effect of the net of tax gain from investment property revaluation of HK\$1,953 million, the net of tax gain from the investment property revaluation of two joint ventures of HK\$36 million, the net of tax gain on disposal of land of HK\$10 million, adding the net of tax loss on investments of HK\$35 million, the net of tax goodwill impairment of HK\$4 million and the costs on early redemption of senior notes of HK\$132 million, underlying profit was HK\$2,040 million. The Board of Directors recommends the payment of a final dividend of HK\$10 cents per share (2015: HK\$10 cent).

Commenting on the annual results for 2016, **Miss Chu Kut Yung, Executive Director & Deputy Chairman of Hopson**, said, “In 2016, various changes and risks emerged in China’s property market, among which include overwhelming surge in transactions and prices of commodity housing in first-tier cities and some second-tier cities in the first half of the year. The surge in transactions and prices resulted in the reimplementing of restrictions on property purchases and mortgages as well as land price and housing price controls in the second half of the year, in conjunction with commodity housing oversupply in third-and-fourth-tier cities. In this market environment, the Group unwaveringly insisted on developing residential property projects targeting rigid demand and improvement demand in first-and-second-tier cities, while steadily promoted the development of medium-to-high-end commercial projects in core areas of first-tier cities.”

During the reporting period, the Group recorded contracted sales of HK\$9,339 million, while the contracted gross floor area was approximately 737 thousand square meters. The average selling price of contracted sales was HK\$12,671 per square meter. As at 31 December 2016, the Group recorded deferred revenue of HK\$8,668 million, which will be recognized in 2017 and thereafter.

The Group continued its diversified business development strategy. During the reporting period, the Group continued to optimize the product structure of residential segment. Through enlarging the proportion of supply of residential properties targeting rigid demand and improvement demand among the entire residential segment, the Group managed to tap into customer bases that are eligible to purchase under more stringent regulatory measures. On top of optimizing its property management services, the Group also accelerated the opening and development of medium-to-high-end mega shopping centers, premium office buildings and hotel projects while continuously optimized the tenant structure of its investment properties. During the reporting period, an income of HK\$14,329 million was made from property development; HK\$843 million from property management; HK\$837 from property investment and HK\$247 million was made from hotel operation.

In regard to land bank, the Group will adhere to a prudent land development strategy where it will actively develop its abundant land resources. In addition to optimizing its product structure and maximizing the value of land bank, the Group will closely monitor the situation of land market and increase premium land reserves in a timely and moderate manner. The Group's strategic layout in Bohai Economic Rim, Yangtze River Delta and Pearl River Delta will thus be further reinforced. As at 31 December 2016, the Group had a land bank of approximately 30.13 million square meters.

**Mr. Chu Mang Yee, Chairman of the Group** concluded, "In response to the regulatory policies towards real estate market introduced by the Central Government, the Group will gradually formulate the strategic principle of 'adopting a realistic approach to business in accordance with state policies and market trends' in 2017. The Group adheres to the ultimate goal of maximizing shareholders' value through seizing the favorable opportunities brought about by the deepening economic reforms and rising consumption demand for upgraded products and services. To achieve this, the Group will fully leverage on the advantages of its solid financial health, its operational capabilities and access to multiple funding channels. The Group will also build on its core assets and make continuous efforts to optimize its management and control systems, so as to promote its strategic transformation of business diversification and secure its long-term and stable development."

- End -

For further information, please contact:

**iPR Ogilvy and Mather**

Callis Lau/ Molisa Lau/ Cathy Ho

Tel: 2136 6952/ 2136 6953/ 3920 7640

Fax: 3170 6606

E-mail: hopson@iprogilvy.com