

[For Immediate Release]



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

HOPSON ANNOUNCED ANNUAL RESULTS 2004
PROFIT ATTRIBUTABLE TO SHAREHOLDERS SURGED 93.8% AND
ACHIEVED RECORD HIGH OF HK\$611 MILLION

Financial Highlights

For the year ended 31 December	2004 HK\$'000	2003 HK\$'000	Change (%)
Turnover	4,449,913	3,325,922	+33.8%
Gross profit	1,409,242	894,310	+57.6%
Profit attributable to shareholders	611,250	315,354	+93.8%
Basic earnings per share	HK61 cents	HK31 cents	+96.8%
Proposed final dividend	HK6 cents	HK3 cents	+100%
Total dividend for the year	HK9 cents	HK5 cents	+80%

(18 April 2005 – 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 2004. The Group’s turnover recorded a remarkable growth of 33.8%, reaching HK\$4,449,913,000. Profit attributable to shareholders achieved a record high of HK\$611,250,000, representing a substantial increase of 93.8%. Basic earnings per share were 61 cents. The Board of Directors recommended the payment of a final dividend of HK6 cents per share for the year ended 31 December 2004. Together with the payment of interim dividend HK3 cents per share, the Group’s total dividend payout for the year amounted to HK9 cents per share.

Commenting on the Group’s satisfactory annual results, Mr. Chu Mang Yee, Chairman of Hopson, said, “During the year under review, despite the PRC Government strengthened the implementation of macro-economic austerity measures, the Chinese economy maintained sustainable growth. The increase in average income created a strong demand for improvements in living standards. Amidst favourable market condition, the Group captured and utilized the business opportunities brought forth by the healthy and robust development of the PRC property market while proactively expanding its businesses in regions outside Guangzhou, such as Beijing, Shanghai and Tianjin. The Group successfully established its prominent brand name in the PRC property market and attained the best results since its listing.”

During the year under review, all the Group's development projects spanning across Guangzhou, Shanghai, Tianjin and Beijing recorded impressive growth. Approximately 6,242 units or approximately 841,030 sq.m. of the development projects were sold. Development projects in Guangzhou, in particular, maintained encouraging performance during the year. Total gross floor area ("GFA") sold amounted to approximately 487,719 sq.m. and turnover was HK\$2,395,779,000, demonstrating a year-on-year increase of 9.1% and accounting for 53.8% of the Group's total turnover. The Group's projects for sale in Guangzhou mainly included Gallopade Park – South Court, Huanan New City, Huajing New City, Fairview South Court and Pleasant View Garden. In addition, the Group's three projects located in Beijing, namely Beijing Regal Court, Cittá Eterna and Fresh Life Garden achieved overwhelming sales performance during the year. Total GFA sold reached 232,417 sq.m., generating sales revenue of HK\$ 1,459,240,000, which represented an increase of 29.1% as compared to that in the previous year and accounted for 32.8% of the Group's total turnover. Regarding the Group's business performance in other cities, Shanghai's Hopson Town and Tianjin's Jingjin New Town commenced pre-sales in August and September 2004 respectively and received satisfactory market response. Total GFA sold in Shanghai and Tianjin amounted to 45,204 sq.m. and 75,690 sq.m. respectively, contributing sales revenue of HK\$298,534,000 and HK\$280,502,000 to the Group and accounting for 6.7% and 6.3% of the Group's total turnover.

To cater to enormous market demand for property, the Group adopted more aggressive expansion strategy and continued to selectively acquire quality land in cities with immense growth potentials at reasonable cost, so as to further fortify the Group's strategy for sustainable development. During the year, the Group, through auction, successfully acquired a 206,000 sq.m. residential plot of land in the centre of Huizhou city, acquired a 56,000 sq.m. residential plot of and on Nanzhou Road in Guangzhou and a 55,600 sq.m. residential plot of land in Tonghe Road through acquiring equity interests. As at 31 December 2004, the Group's land bank is sufficient for sustainable business growth in the foreseeable future.

Looking ahead, the continuous implementation of macro-economic austerity measures will bring forth short-term impact to the PRC property market. Being a property developer with abundant land bank, the Group believes the implementation of macro-economic austerity measures will expedite stable and long-term development of the property market. The Group will continue to introduce projects in Guangzhou, of which newly developed projects include Yijing Huayuan, Regal Riviera Villa and Yunshan Xijing. Besides, Huizhou Regal Riviera Bay will commence construction in the first half of 2005 and its pre-sale will be launched in the second half of 2005. As for Tianjin, the Group will launch a number of residential projects in 2005. The Group acquired an approximately 43,000 sq.m. plot of land in the inner third ring of Eastern Chaoyang District in the beginning of 2005, backing optimistic market prospects in Beijing. The Group will further consolidate its sustainable development strategy through active land bank acquisition strategy.

In addition, the Group completed the acquisition of minority interests in various joint ventures at a total consideration of RMB351 million on 31 December 2004, with the view of enhancing its future profitability. The Group planned to complete the acquisition of 59.5% equity interests in Regal Riviera at a total consideration of RMB497 million during the first half of 2005.

Apart from property development business, the Group also extended its business reach to commercial projects and hotel business. The pre-sale of commercial projects, including Guangzhou Hopson International Building and the commercial project of Phase 4 of Gallopade Park in Guangzhou, will be launched in 2005. Furthermore, the Group's Guangzhou Regal Riviera Hotel commenced operation during the year. The Beijing Regal Court Hotel is planned to put into operation during the first half of 2005 whereas the Tianjin Water Palace Convention Hotel in Tianjin will commence operation by mid-2005, which will be used as the venue for hosting different major conferences. The Group is confident that this will notably enhance public awareness of the hotel and contribute to satisfactory operation performance.

Mr. Chu concluded, "We are highly optimistic about the Group's development prospects. By leveraging on our quality products and service, we endeavour to develop strong brand name while continue to solidify and enhance our existing brand image, which is expected to bring impressive returns to the Group. We will keep a close eye on the diversified demand of property buyers and introduce popular and premium products with innovative design, so as to add value to the projects and increase property owners' satisfaction. The Group is committed to capturing any arising investment opportunities, proactively expanding its current operational scale and corporate strengthens, and ultimately, cementing the Group's leading market position in the PRC."

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