

[For Immediate Release]



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

HOPSON ANNOUNCES ANNUAL RESULTS 2006
NET PROFIT SURGED 28% TO HK\$1,554 MILLION

Financial Highlights

For the year ended 31 December	2006 HK\$'000 (Audited)	2005 HK\$'000 (Audited)	Change (%)
Turnover	6,920,294	6,133,894	+13%
Gross profit	2,410,954	1,944,619	+24%
Profit attributable to shareholders	1,553,752	1,217,323	+28%
Basic earnings per share	HK127 cents	HK113 cents	+12%
Proposed final dividend	HK27.1 cents	HK24.2 cents	+12%
Total dividend for the year	HK37.9 cents	HK33.95 cents	+12%

(17 April 2007 – 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 2006.

For the year ended 31 December 2006, the Group recorded a turnover of HK\$6,920 million, a growth of 13% when compared to that of the previous year. Profit attributable to shareholders reached HK\$1,554 million, posting an increase of 28%. Basic earnings per share rose 12% over that of 2005. The Board of Directors recommended the payment of HK27.1 cents per share as the final dividend for the year ended 31 December 2006. Together with the interim dividend of HK10.8 cents per share, total dividend per share will be HK37.9 cents for the year, representing a 12% increase as compared to HK33.95 cents in 2005.

Commenting on the encouraging annual results, Dr. Wu Jiesi, Managing Director and CEO of the Group, said, “For the year under review, the Chinese economy continued to experience impressive growth with gross domestic product up by 10.7% as compared to the previous year. The Chinese Government introduced a series of new measures to restrain escalating property prices and speculation in the overheating property market. Despite these initiatives, the property markets in Beijing and Guangzhou maintained robust growth and the transaction area and unit-selling prices of the Group’s properties increased quite significantly during the year, while the Shanghai and Tianjin markets maintained steady performance.”

Turnover for the year was HK\$6,920 million, with 97% from property development and the balance from property management and property investment. Total revenue from the property sales was HK\$6,642 million (HK\$ 5,954 million in 2005) with 963,400 sq.m. of GFA delivered (1,043,000 sq.m. in 2005). The figures do not include the contribution from Guangzhou Regal Riviera (HK\$853 million, representing 99,200 sq.m. of GFA) as it is a jointly controlled entity despite our ownership of 69.5%. Guangdong projects remained our major revenue contributor (49% of the turnover of property sales), closely followed by Beijing’s (31%). Projects in Shanghai and Tianjin contributed 10% and 10% of the turnover respectively. The average selling price for 2006 was RMB7,033/sq.m., representing an increase of 17% year-on-year (“YoY”). Gross profit margin for the year increased from 32% to 35% and net profit margin also recorded increased from 20% to 22%.

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In spite of the macro-economic measures introduced in the year under review, the Group still achieved a record of HK\$11.368 billion of contracted sales (including Guangzhou Regal Riviera), representing an increase of 79% YoY. In terms of GFA sold, the increase was 14% YoY. The average selling price for contracted sales for residential development increased to RMB8,385/sq.m., representing a significant increase of 32% YoY. As of end 2006, the deferred revenue was amounted to HK\$4,749 (involving a contracted sum of HK\$7,598 million), representing 682,400 sq.m. of GFA, and such revenue will be recognized in 2007 and 2008. During the year, the Group launched four new projects each in Guangzhou, Huizhou, Beijing and Shanghai. Furthermore, the Group entered into a conditional agreement to dispose its 50% equity interest in Shanghai International Tower at a consideration of US\$150 million, of which US\$75 million was settled during the year. The agreement is expected to be completed in 2008.

We continue to look for opportunities to enlarge our land bank in order to sustain our current growth profile. In addition to the core cities of various economic zones, we actively scout for projects in the neighbouring cities of these core cities. We now have projects in Huizhou, Foshan, Zengcheng and Ningbo. In 2006, the Group entered into various land acquisition agreements, involving an aggregate of 2.70 million sq.m. As of end 2006, our land bank was amounted to 14.08 million sq.m. of GFA, and will further increase to 15.54 million sq.m. upon completion of various agreements.

Since June 2006, our shares have been included in MSCI China Index, reflecting our works in the past are recognized internationally. We constantly monitor the Group's capital structure and the sentiments of the international capital market. In November 2006, we successfully completed a placement of 60 million new shares (representing 4.7% of the enlarged share capital at the time) internationally in order to strengthen the Group's balance sheet. In January 2007, we successfully placed a 3 year convertible bond of RMB1,830 million internationally and it is the first ever RMB denominated convertible bond issued by a Hong Kong listed company.

Looking forward, Dr. Wu concluded and said, "Though we expect the Government continues to launch various measures to curb speculative activities, we believe our business model of building communities for the emerging middle class is consistent with the Government's policy of encouraging home ownership. Under this credit tightening environment, we continue to scout for M&A opportunities to expedite the growth of the Group. While property development remains the core business of the Group, we are in the process of building up our investment properties portfolio, such as shopping malls and office buildings, with an aim to gradually increase our recurring income. Last but not least, while our goal is to maximize the return of shareholders, we make every endeavour to enhance corporate governance."

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