



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>

FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2007

FINANCIAL HIGHLIGHTS

(for the year ended 31st December 2007)

- **Turnover was up 61% to HK\$11,131 million**
- **Profit attributable to shareholders up 126% to HK\$3,517 million**
- **Basic earnings per share up 100% to HK\$2.54 per share**
- **Proposed final dividend per share up 18% to HK32 cents per share**

BUSINESS REVIEW

Industry Overview

In 2007,

- The macro economy of the People's Republic of China ("PRC") performed satisfactorily, with an increase of gross domestic product ("GDP") of 11.4% year-on-year. The continuing economic growth coupled with the increase in disposal income per capita led to an increase in demand for housing.
- A series of administrative measures were introduced by the PRC authorities to regulate the property market. These measures included land appreciation tax policy, restriction of foreign investment in domestic property market, increasing mortgage barrier and interest rates for second property mortgage, restricting net increase in lending, increasing the supply of low rental properties and middle-to-low-pricing properties and regulating property developers in respect of land accumulation.

- The above policies put forth affected the sales and cash flow of developers in the short run but will be able to regulate the industry and ensure a healthy and stable development in the long run.

Contracted sales performance

Details of properties sold under sale and pre-sale contracts in 2007 are as follows:

- The Group recorded a total contracted sales of HK\$10,967 million.
- In Guangdong, with the commencement of pre-sales of a new project, Junjing Bay, and the inclusion of sales from Regal Riviera, a total GFA of 493,300 square metres, of which 403,479 square metres were attributable to the Group, with a carrying value of HK\$5,681 million was sold.
- In Beijing, a total GFA of 203,418 square metres with a carrying value of HK\$3,606 million was sold.
- In Tianjin and Shanghai, a total GFA of 212,603 square metres of which 173,267 square metres were attributable to the Group, with a carrying value of HK\$1,680 million was sold.

The Group believes that the contracted sales in 2008 will achieve considerable growth from 2007.

Properties sold but not yet delivered

As at 31st December 2007, the GFA for which the Group had entered into sale and pre-sale contracts and yet to be delivered to buyers amounted to 511,480 square metres. Following the delivery of these properties, the proceeds received therefrom totalling HK\$4,982 million will be recognised as revenues in the Group's accounts in 2008 and thereafter.

Delivery of properties

A total GFA of 1,128,654 square metres (2006: 963,423 square metres) were delivered in 2007.

Project development progress

- A total GFA of 1,115,837 square metres (2006: 1,071,064 square meters) were completed during the year.
- It is expected that a total GFA of 1,698,886 square metres will be completed in 2008.

Landbank and land replenishment

As of 31st December 2007, the Group had a landbank of 21.19 million square metres.

During 2007, the Group

- completed the acquisition of equity interests in companies holding land use rights or land grant contracts in Guangdong, Beijing, Shanghai, Tianjin, Hangzhou, Shanxi and Dalian with a total GFA of 7.32 million square metres, and
- entered into several equity transfer agreements with owners of land sites in Guangdong, Beijing, Shanghai and Qinhuangdao involving a total GFA of 1.17 million square metres.

Prospects

- The Group is firmly grasping the momentum in project construction and accelerating the development of existing land bank.
- The Management believes that through the Group's first class product quality and services it will be able to maintain sufficient sales momentum while sustaining reasonable gross margins and sales margins.
- By leveraging on its market experience and judgement, the Group will be able to strike a good balance between selling price and sales momentum and will in turn achieve better returns on shareholders' equity.
- The commercial properties currently owned by the Group are located in the premium districts of Guangzhou, Beijing, Tianjin and Shanghai and are planned to be developed into hotels, office buildings, shopping centers and service apartments. In future, the Group will continue to identify suitable commercial property land bank using its existing 1.88 million square metres commercial property area as a base in order to establish a balanced portfolio. It is expected that such move will complement the development of residential projects and will be of mutual benefits to both types of properties. However, the Group will still pursue the development of residential property to be its main business focus.

The Board of Directors (the "Board") of Hopson Development Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December 2007 together with the comparative figures for the corresponding previous year.

The 2007 financial statements of the Company have been reviewed by the Company's audit committee and the Board.

CONSOLIDATED INCOME STATEMENT

	Note	For the year ended 31st December	
		2007 HK\$'000	2006 HK\$'000
Revenues	4	11,130,643	6,920,294
Cost of sales	6	<u>(6,669,998)</u>	<u>(4,509,340)</u>
Gross profit		4,460,645	2,410,954
Other gains	5	1,483,447	505,531
Selling and marketing costs	6	(281,082)	(228,618)
General and administrative expenses	6	<u>(500,402)</u>	<u>(296,600)</u>
Operating profit		5,162,608	2,391,267
Finance income		50,394	26,814
Finance costs	7	(136,916)	(84,808)
Share of profit less loss of associates		(599)	(80)
Share of profit of and other gains relating to jointly controlled entities		<u>101,964</u>	<u>128,343</u>
Profit before taxation		5,177,451	2,461,536
Taxation	8	<u>(1,629,245)</u>	<u>(837,358)</u>
Profit for the year		<u><u>3,548,206</u></u>	<u><u>1,624,178</u></u>
Attributable to:			
Equity holders of the Company		3,517,312	1,553,752
Minority interests		<u>30,894</u>	<u>70,426</u>
		<u><u>3,548,206</u></u>	<u><u>1,624,178</u></u>
Earnings per share for profit attributable to the equity holders of the Company during the year (in HK\$ per Share)			
— basic	9	2.54	1.27
— diluted	9	<u>2.49</u>	<u>1.26</u>
Dividends	10	<u><u>616,922</u></u>	<u><u>480,980</u></u>

CONSOLIDATED BALANCE SHEET

		As at 31st December	
		2007	2006
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Land costs		639,205	500,367
Properties and equipment		2,063,811	1,267,460
Investment properties		2,736,835	2,503,845
Properties under development for long-term investment		135,157	227,765
Intangible assets		111,819	106,349
Investments in associates		39,206	—
Investment in a jointly controlled entity		676,460	1,033,245
Available-for-sale financial assets		463,158	291,834
Deposit paid		—	554,579
Deferred tax assets		107,878	42,357
Other non-current asset		—	919,584
		<u>6,973,529</u>	<u>7,447,385</u>
Current assets			
Land costs		16,151,494	7,135,951
Prepayments for acquisition of land		12,027,112	634,080
Properties under development for sale		5,183,349	4,146,742
Completed properties for sale		2,180,924	1,953,586
Accounts receivable	11	138,743	111,142
Other receivables		682,815	9,000
Prepayments, deposits and other current assets		2,293,656	1,678,347
Due from an associate		22,344	—
Due from related companies		17,390	18,531
Pledged/charged bank deposits		277,031	157,317
Cash and cash equivalents		1,985,055	2,412,479
		<u>40,959,913</u>	<u>18,257,175</u>
Total assets		<u>47,933,442</u>	<u>25,704,560</u>
Capital and reserves attributable to the Company's equity holders			
Share capital		147,237	128,510
Reserves	14	17,717,146	7,709,155
		17,864,383	7,837,665
Minority interests		2,213,927	390,250
Total equity		<u>20,078,310</u>	<u>8,227,915</u>

		As at 31st December	
		2007	2006
	<i>Note</i>	HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Land cost payable		175,959	—
Borrowings	12	9,718,998	6,076,963
Deferred tax liabilities		6,013,099	1,119,814
Other non-current liability		<u>—</u>	<u>581,250</u>
		15,908,056	7,778,027
Current liabilities			
Accounts payable	13	953,128	563,378
Land cost payable		605,289	1,070,928
Borrowings	12	2,898,895	1,345,042
Deferred revenue		4,981,769	4,167,431
Accruals and other payables		1,763,446	989,702
Due to an associate		5,624	5,343
Due to related companies		137,836	103,398
Due to a jointly controlled entity		231,253	1,037,287
Current tax liabilities		<u>369,836</u>	<u>416,109</u>
		11,947,076	9,698,618
Total liabilities		<u>27,855,132</u>	<u>17,476,645</u>
Total equity and liabilities		<u>47,933,442</u>	<u>25,704,560</u>
Net current assets		<u>29,012,837</u>	<u>8,558,557</u>
Total assets less current liabilities		<u>35,986,366</u>	<u>16,005,942</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company		Minority interests	Total
	Share capital	Reserves		
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at 1st January 2006	121,360	5,342,348	301,567	5,765,275
Currency translation differences	—	214,482	11,581	226,063
Profit for the year	—	1,553,752	70,426	1,624,178
Total recognised income for the year ended 31st December 2006	—	1,768,234	82,007	1,850,241
Proceeds from issue of share, net of share issue expenses				
— Placements	6,000	973,262	—	979,262
— Employee share options scheme	1,150	51,145	—	52,295
Share-based payment (Share options granted)	—	1,620	—	1,620
Capital contribution by minority interests of subsidiaries	—	—	6,382	6,382
Acquisition of a subsidiary	—	—	4,194	4,194
Dividends paid	—	(427,454)	(3,900)	(431,354)
	7,150	598,573	6,676	612,399
Balance at 31st December 2006	128,510	7,709,155	390,250	8,227,915

	Attributable to equity holders of the Company		Minority interests	Total
	Share capital HK\$'000	Reserves HK\$'000	HK\$'000	HK\$'000
Balance at 1st January 2007	<u>128,510</u>	<u>7,709,155</u>	<u>390,250</u>	<u>8,227,915</u>
Fair value gain on available-for-sale financial assets	—	151,965	—	151,965
Acquisition of subsidiaries	—	2,180,096	1,728,405	3,908,501
Realized upon disposal of properties held for sales	—	(513,811)	—	(513,811)
Deferred tax	—	183,026	—	183,026
Currency translation differences	<u>—</u>	<u>696,153</u>	<u>66,836</u>	<u>762,989</u>
Net income recognised directly in equity	—	2,697,429	1,795,241	4,492,670
Profit for the year	<u>—</u>	<u>3,517,312</u>	<u>30,894</u>	<u>3,548,206</u>
Total recognised income for the year ended 31st December 2007	<u>—</u>	<u>6,214,741</u>	<u>1,826,135</u>	<u>8,040,876</u>
Proceeds from issue of share, net of share issue expenses				
— Placements	18,223	3,981,777	—	4,000,000
— Employee share options scheme	504	34,771	—	35,275
Share-based payment (Share options granted)	—	43,401	—	43,401
Issue of convertible bonds	—	227,734	—	227,734
Acquisition of minority interest in a subsidiary	—	—	(2,458)	(2,458)
Dividends paid	<u>—</u>	<u>(494,433)</u>	<u>—</u>	<u>(494,433)</u>
	<u>18,727</u>	<u>3,793,250</u>	<u>(2,458)</u>	<u>3,809,519</u>
Balance at 31st December 2007	<u>147,237</u>	<u>17,717,146</u>	<u>2,213,927</u>	<u>20,078,310</u>

Notes:

(1) General information

Hopson Development Holdings Limited (“the Company”) and its subsidiaries (together “the Group”) is mainly engaged in the development of residential properties in Mainland China. The Group is also involved in some ancillary property related businesses, including property investment, property management and hotel operations. The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company is listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

(2) Basis of presentation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial asset.

(3) Accounting policies

The following new standards, amendments to standards and interpretations are mandatory for financial year ended 31st December 2007.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Reporting and Impairment
HKFRS 7	Financial Instruments: Disclosures

The adoption of these new standard, amendment and interpretations did not have any significant impact on the Group’s accounting policies or results and financial position.

The following new standards, amendments to standards and interpretations have been issued but are not yet effective for 2007 and have not been early adopted:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 2 (Amendment)	Share-based Payment vesting conditions and cancellations
HKFRS 3 (Revised)	Business Combination
HKFRS 8	Operating Segments
HK(IFRIC)-Int 11	HKFRS 2 — Group and Treasury Share Transactions

The Group has not early adopted the above standards, amendments and interpretations in the consolidated financial statements for the year ended 31st December 2007. Management is in the process of making an assessment of the impact of these standards, amendments and interpretations but is not yet in a position to state whether they would have a significant impact on the Group’s results and financial position.

(4) Revenues and segmental information

Revenues represent turnover which comprises (1) sale of completed properties held for sale which is recognised upon completion of sale agreement, which refers to the time when the risks and rewards of the sale transactions are transferred to the buyers; (2) rental income which is recognised on a straight-line basis over the period of the relevant leases; (3) property management fees which are recognised when the services are rendered and (4) hotel operating income which is recognised upon provision of services.

In accordance with the Group's internal financial reporting, the Group has determined the geographical segments be presented as the primary reporting format and the business segments as the secondary reporting format.

Analysis of the Group's results by geographical segments is as follows:

For the year ended 31st December 2007:

	Guangdong province HK\$'000	Beijing HK\$'000	Shanghai HK\$'000	Tianjin HK\$'000	Others HK\$'000	Un- allocated HK\$'000	Group HK\$'000
Total gross segment revenues	5,999,839	3,607,248	900,636	627,703	9,529	—	11,144,955
Inter-segment revenues	(2,329)	(1,616)	—	(838)	(9,529)	—	(14,312)
Revenues	<u>5,997,510</u>	<u>3,605,632</u>	<u>900,636</u>	<u>626,865</u>	<u>—</u>	<u>—</u>	<u>11,130,643</u>
Operating profit/(loss)	3,573,179	1,095,594	420,967	24,172	(283)	48,979	5,162,608
Share of profit/(loss) of associates	117	(716)	—	—	—	—	(599)
Share of profit of and other gains relating to jointly controlled entities	18,316	83,648	—	—	—	—	101,964
Finance income							50,394
Finance costs							<u>(136,916)</u>
Profit before taxation							5,177,451
Taxation							<u>(1,629,245)</u>
Profit for the year							<u><u>3,548,206</u></u>

For the year ended 31st December 2006:

	Guangdong province HK\$'000	Beijing HK\$'000	Shanghai HK\$'000	Tianjin HK\$'000	Others HK\$'000	Un- allocated HK\$'000	Group HK\$'000
Total gross segment revenues	3,385,271	2,174,922	665,551	699,523	34,726	—	6,959,993
Inter-segment revenues	(2,805)	(1,439)	—	(729)	(34,726)	—	(39,699)
Revenues	<u>3,382,466</u>	<u>2,173,483</u>	<u>665,551</u>	<u>698,794</u>	<u>—</u>	<u>—</u>	<u>6,920,294</u>
Operating profit/(loss)	1,302,201	598,993	298,488	122,931	(627)	69,281	2,391,267
Share of loss of an associate	(80)	—	—	—	—	—	(80)
Share of profit of and other gains relating to a jointly controlled entity	128,343	—	—	—	—	—	128,343
Finance income							26,814
Finance costs							<u>(84,808)</u>
Profit before taxation							2,461,536
Taxation							<u>(837,358)</u>
Profit for the year							<u><u>1,624,178</u></u>

For the year ended 31st December 2007:

	Guangdong province HK\$'000	Beijing HK\$'000	Shanghai HK\$'000	Tianjin HK\$'000	Others HK\$'000	Un- allocated HK\$'000	Group HK\$'000
Assets	21,375,239	13,850,226	8,080,173	3,721,335	82,925	107,878	47,217,776
Investments in associates	120	39,086	—	—	—	—	39,206
Investment in a jointly controlled entity	—	676,460	—	—	—	—	676,460
Total assets	<u>21,375,359</u>	<u>14,565,772</u>	<u>8,080,173</u>	<u>3,721,335</u>	<u>82,925</u>	<u>107,878</u>	<u>47,933,442</u>
Total liabilities	<u>8,840,512</u>	<u>5,259,441</u>	<u>2,250,079</u>	<u>435,900</u>	<u>4,686,265</u>	<u>6,382,935</u>	<u>27,855,132</u>
Depreciation	<u>9,782</u>	<u>13,488</u>	<u>726</u>	<u>19,512</u>	<u>333</u>	<u>—</u>	<u>43,841</u>
Amortisation	<u>14,022</u>	<u>8,650</u>	<u>20,074</u>	<u>2,875</u>	<u>8,647</u>	<u>—</u>	<u>54,268</u>
Capital expenditure	<u>368,966</u>	<u>5,585</u>	<u>34,424</u>	<u>524,701</u>	<u>388</u>	<u>—</u>	<u>934,064</u>

For the year ended 31st December 2006:

	Guangdong province HK\$'000	Beijing HK\$'000	Shanghai HK\$'000	Tianjin HK\$'000	Others HK\$'000	Un- allocated HK\$'000	Group HK\$'000
Assets	10,984,044	5,309,926	5,008,436	2,692,590	633,962	42,357	24,671,315
Investment in an associate	—	—	—	—	—	—	—
Investment in a jointly controlled entity	1,033,245	—	—	—	—	—	1,033,245
Total assets	<u>12,017,289</u>	<u>5,309,926</u>	<u>5,008,436</u>	<u>2,692,590</u>	<u>633,962</u>	<u>42,357</u>	<u>25,704,560</u>
Total liabilities	<u>5,445,842</u>	<u>4,703,451</u>	<u>1,789,642</u>	<u>1,056,846</u>	<u>2,897,031</u>	<u>1,583,833</u>	<u>17,476,645</u>
Depreciation	<u>6,009</u>	<u>13,117</u>	<u>468</u>	<u>2,241</u>	<u>282</u>	<u>—</u>	<u>22,117</u>
Amortisation	<u>50,918</u>	<u>1,753</u>	<u>18,076</u>	<u>1,719</u>	<u>7,231</u>	<u>—</u>	<u>79,697</u>
Capital expenditure	<u>51,053</u>	<u>6,321</u>	<u>1,038</u>	<u>330,167</u>	<u>726</u>	<u>—</u>	<u>389,305</u>

Analysis of the Group's results by business segments is as follows:

	For the year ended	
	31st December	
	2007	2006
	HK\$'000	HK\$'000
Revenues		
Property development	10,722,391	6,612,915
Property investment	57,548	54,243
Property management	235,191	173,337
Hotel operation	115,513	79,799
	<u>11,130,643</u>	<u>6,920,294</u>
Total assets		
Property development	41,902,425	20,288,247
Property investment	3,253,354	3,139,431
Property management	110,677	121,398
Hotel operation	1,843,442	1,079,882
Unallocated	107,878	42,357
	<u>47,217,776</u>	<u>24,671,315</u>
Investments in associates	39,206	—
Investment in a jointly controlled entity	676,460	1,033,245
	<u>47,933,442</u>	<u>25,704,560</u>
Capital expenditure		
Property development	596,779	319,522
Property investment	56,446	43,835
Property management	1,941	1,980
Hotel operation	278,898	23,968
	<u>934,064</u>	<u>389,305</u>
Analysis of revenues by category:		
Sales of properties	10,700,387	6,601,678
Rental income from investment properties	57,548	54,243
Property management fees	235,191	173,337
Hotel operating income	115,513	79,799
Others	22,004	11,237
	<u>11,130,643</u>	<u>6,920,294</u>

(5) Other gains

	For the year ended	
	31st December	
	2007	2006
	HK\$'000	HK\$'000
Excess of acquirer's interest over cost of acquisition	1,052,965	199,803
Fair value gains on investment properties	386,732	261,414
Government grants	43,750	44,314
	<u>1,483,447</u>	<u>505,531</u>

(6) Expenses by nature

Expenses included in cost of sales, selling and marketing costs and general and administrative expenses are analysed as follows:

	For the year ended	
	31st December	
	2007	2006
	HK\$'000	HK\$'000
Advertising costs	191,386	159,280
Amortisation of land costs	4,240	9,177
Auditor's remuneration	4,980	3,450
Cost of completed properties sold	6,424,467	4,300,969
Depreciation of properties and equipment	43,841	22,117
Direct operating expenses arising from investment properties that		
— generate rental income	2,369	1,699
— did not generate rental income	3,098	3,491
Employees' benefits costs (including Directors' emoluments)	381,361	240,390
Loss on sale of properties and equipment	3,283	18,681
Net exchange gain (included in general and administrative expenses)	(162,760)	(111,373)
Operating lease rental in respect of premises	<u>22,690</u>	<u>12,467</u>

(7) Finance costs

	For the year ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Interest expense:		
— on bank loans wholly repayable within five years	449,743	261,991
— on bank loans not wholly repayable within five years	1,399	—
— on senior notes wholly repayable within five years	232,007	220,537
— on convertible bonds wholly repayable within five years	<u>104,390</u>	<u>—</u>
Total borrowing costs incurred	787,539	482,528
Less: Amount capitalised as part of the cost of properties under development	<u>(650,623)</u>	<u>(397,720)</u>
	<u><u>136,916</u></u>	<u><u>84,808</u></u>

The average interest rate of borrowing costs capitalised for the year ended 31st December 2007 was approximately 7.2% (2006: 6.9%) per annum.

(8) Taxation

Taxation consists of:

	For the year ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Current tax		
Hong Kong profits tax	(805)	(7,282)
Mainland China enterprise income tax	572,602	454,722
Mainland China land appreciation tax	<u>97,246</u>	<u>98,093</u>
	669,043	545,533
Deferred tax		
Hong Kong profits tax	—	7,650
Mainland China enterprise income tax	478,380	78,901
Mainland China land appreciation tax	605,095	205,274
Effect of tax rate change	<u>(123,273)</u>	<u>—</u>
	<u><u>960,202</u></u>	<u><u>291,825</u></u>
	<u><u>1,629,245</u></u>	<u><u>837,358</u></u>

Share of a jointly controlled entity's taxation for the year ended 31st December 2007 of approximately HK\$32,850,000 (2006: HK\$150,926,000) is included in the income statement as share of profit of and other gains relating to a jointly controlled entity.

(9) Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	For the year ended	
	31st December	
	2007	2006
	HK\$'000	HK\$'000
Profit attributable to equity holders of the Company	<u>3,517,312</u>	<u>1,553,752</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,384,432</u>	<u>1,228,297</u>
Basic earnings per share (HK\$ per share)	<u>2.54</u>	<u>1.27</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has 8,964,000 share options outstanding during the year ended 31st December 2007, of which 7,964,000 share options are dilutive potential ordinary shares. Calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are also adjusted for the bond issued in February 2007.

	For the year ended	
	31st December	
	2007	2006
	HK\$'000	HK\$'000
Profit attributable to equity holders of the Company	3,517,312	1,553,752
Interest expense on convertible bonds (net of tax)	<u>68,587</u>	<u>—</u>
Profit for calculation of diluted earnings per share	<u>3,585,899</u>	<u>1,553,752</u>
Weighted average number of ordinary shares in issue ('000)	1,384,432	1,228,297
Adjustments for — shares to be issued on conversion of convertible bonds ('000)	53,423	—
— share options ('000)	<u>830</u>	<u>2,896</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>1,438,685</u>	<u>1,231,193</u>
Diluted earnings per share (HK\$ per share)	<u>2.49</u>	<u>1.26</u>

(10) Dividends

	For the year ended	
	31st December	
	2007	2006
	HK\$'000	HK\$'000
Interim dividend paid of HK\$0.099 (2006: HK\$0.108) per ordinary share	145,764	132,311
Proposed final dividend of HK\$0.32 (2006: HK\$0.271) per ordinary share	<u>471,158</u>	<u>348,669</u>
	<u>616,922</u>	<u>480,980</u>

The proposed final dividends have to be approved by shareholders at the forthcoming Annual General Meeting subsequent to the year end. The financial statements as at 31st December 2007 have not reflected such dividend payable.

(11) Accounts receivable

Consideration in respect of properties sold is generally payable by the buyers at the time of completion of the sale and purchase agreements. Rentals in respect of leased properties and property management fees are generally payable in advance by the tenants on a monthly basis.

The ageing analysis of accounts receivable is as follows:

	As at 31st December	
	2007	2006
	HK\$'000	HK\$'000
0 to 3 months	99,581	39,059
3 to 6 months	3,106	7,840
6 to 9 months	—	3,780
9 to 12 months	1,737	850
Over 12 months	<u>34,319</u>	<u>59,613</u>
	<u>138,743</u>	<u>111,142</u>

(12) Borrowings

	As at 31st December	
	2007	2006
	HK\$'000	HK\$'000
Non-current		
Bank borrowings	5,291,810	3,425,413
Senior notes	2,674,717	2,651,550
Convertible bonds	<u>1,752,471</u>	<u>—</u>
	9,718,998	6,076,963
Current		
Bank borrowings	<u>2,898,895</u>	<u>1,345,042</u>
Total borrowings	<u>12,617,893</u>	<u>7,422,005</u>

In November 2005, the Company issued 8.125% senior notes with an aggregated nominal value of US\$350,000,000 (equivalent to approximately HK\$2,730,000,000), for a total consideration of approximately HK\$2,733,182,000. The senior notes mature in seven years (November 2012) and are repayable at their nominal value of US\$350,000,000. The Company will be entitled at its option to redeem all or a portion of the senior notes on or after 9th November 2009 at the redemption prices specified in the offering circular, plus accrued and unpaid interests up to the redemption date.

On 2nd February 2007, the Company completed the issue of RMB1,830,400,000 aggregate principal amount of USD settled Zero Coupon Convertible Bonds. The bonds mature in three years (January 2010) from the issue date at 104.59% of the nominal value or can be converted into ordinary shares of the Company on or after 14th March 2007 at a conversion price of HK\$30.08 per share at a fixed exchange rate of RMB0.9958 to HK\$1. The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond at the time of issue, and is recorded as non-current borrowings on the amortized cost basis, until extinguished on conversion or maturity of the bonds.

(13) Accounts payable

The ageing analysis of accounts payable (including amounts due to related parties of trading nature) is as follows:

	As at 31st December	
	2007	2006
	HK\$'000	HK\$'000
0 to 3 months	<u>953,128</u>	<u>563,378</u>

As at 31st December 2007, approximately HK\$70,686,000 (2006: HK\$344,617,000) of accounts payable was due to subsidiaries of minority shareholders of certain subsidiaries of the Company in respect of property construction fees.

(14) Reserves*For the year ended 31st December 2007*

	Share premium <i>HK\$'000</i>	Statutory reserves <i>HK\$'000</i>	Convertible bonds reserve <i>HK\$'000</i>	Asset revaluation reserve <i>HK\$'000</i>	Currency translation differences <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at 1st January							
2007	2,648,048	161,117	—	—	280,574	4,619,416	7,709,155
Issue of convertible bonds	—	—	227,734	—	—	—	227,734
Currency translation differences	—	—	—	—	696,153	—	696,153
Profit for the year	—	—	—	—	—	3,517,312	3,517,312
Dividend relating to 2006	—	—	—	—	—	(348,669)	(348,669)
Dividend relating to 2007	—	—	—	—	—	(145,764)	(145,764)
Employee share options scheme							
— value of services provided	43,401	—	—	—	—	—	43,401
Issue of shares							
– placements	3,981,777	—	—	—	—	—	3,981,777
– employee share options scheme	34,792	—	—	—	—	—	34,792
Share issue expenses	(21)	—	—	—	—	—	(21)
Fair value gain on available-for-sale financial assets	—	—	—	151,965	—	—	151,965
Acquisition of a subsidiary, net of tax	—	—	—	2,180,096	—	—	2,180,096
Realized upon disposal of properties held for sale	—	—	—	(513,811)	—	—	(513,811)
Deferred tax	—	—	—	183,026	—	—	183,026
Balance at 31st December 2007	<u>6,707,997</u>	<u>161,117</u>	<u>227,734</u>	<u>2,001,276</u>	<u>976,727</u>	<u>7,642,295</u>	<u>17,717,146</u>
Representing:							
2007 Final dividend proposed						471,158	
Others						<u>7,171,137</u>	
						<u>7,642,295</u>	
Analysed by:							
Company and subsidiaries						7,561,134	
Jointly controlled entity						83,648	
Associate						<u>(2,487)</u>	
						<u>7,642,295</u>	

For the year ended 31st December 2006

	Share premium HK\$'000	Statutory reserves HK\$'000	Currency translation differences HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1st January 2006	1,622,021	154,014	66,092	3,500,221	5,342,348
Transfer to reserves	—	7,103	—	(7,103)	—
Currency translation differences	—	—	214,482	—	214,482
Profit for the year	—	—	—	1,553,752	1,553,752
Dividend relating to 2005	—	—	—	(295,143)	(295,143)
Dividend relating to 2006	—	—	—	(132,311)	(132,311)
Employee share options scheme					
— value of services provided	1,620	—	—	—	1,620
Issue of shares					
— placements	990,000	—	—	—	990,000
— employee share options scheme	51,150	—	—	—	51,150
Share issue expenses	(16,743)	—	—	—	(16,743)
Balance at 31st December 2006	<u>2,648,048</u>	<u>161,117</u>	<u>280,574</u>	<u>4,619,416</u>	<u>7,709,155</u>
Representing:					
2006 Final dividend proposed				348,669	
Others				<u>4,270,747</u>	
				<u>4,619,416</u>	
Analysed by:					
Company and subsidiaries				4,165,523	
Jointly controlled entity				455,781	
Associate				<u>(1,888)</u>	
				<u>4,619,416</u>	

DIVIDEND

The Board has recommended a final dividend of HK32 cents (2006: HK27.1 cents) per share. This, together with the interim dividend of HK9.9 cents (2006: HK10.8 cents) per share, will give a total dividend of HK41.9 cents (2006: HK37.9 cents) per share for the year ended 31st December 2007.

The final dividend will be paid on Monday, 30th June 2008 to shareholders whose names appear on the register of members of the Company at the close of business on Monday, 16th June 2008 subject to the approval of shareholders at the Annual General Meeting to be held on Monday, 16th June 2008.

FINANCIAL REVIEW

Turnover

The Group recorded a significant growth in turnover of 61% from HK\$6,920 million in 2006 to HK\$11,131 million in 2007 due mainly to the increase in selling prices and a high sales volume of properties delivered of around 1,128,654 square metres of saleable GFA (2006: 963,423 square metres).

In 2007, delivery and completion of properties were largely as planned. Overall, the average selling price went up by 29% to RMB 9,270 per square metre (2006: RMB 7,205 per square metre). The increase was primarily attributable to the continuing strong demand for quality homes from buyers and a positive property market performance. Different regions attained different average increases over the previous year. Guangzhou achieved a most notable increase of 44% following the inclusion of the renowned project Regal Riviera in the Group's turnover as from September 2007 and the delivery of some high-end products from Regal Riviera Villa, Pleasant View Garden, Huanan New City and Huajing New City. In Beijing, because of a sale-mix of properties — for instance, price increases of a hefty 50% from Beijing Regal Court and a modest 6% from Beijing Fresh Life Garden — an average price increase of 24% was recorded. Shanghai with the delivery of Hopson Lantern Garden showed a 11% increase. In Tianjin, Tianjin Jingjin New Town achieved an impressive price increase of 31%. Huizhou, despite the Group's relatively new development presence, secured a price increase of 26% following the delivery of the sizable project, Hopson International New City.

Cost of Sales

Cost of sales included land and construction costs, decoration and design costs, capitalized interest and land premium amortization. In line with the substantial increase in turnover, cost of sales was up by 48% to HK\$6,670 million (2006: HK\$4,509 million) but, as a percentage of turnover, dropped 5% to 60% (2006: 65%) due primarily to more sales with higher profit margin recognized in 2007.

Gross Profit

Gross profit margin increased from 35% in 2006 to 40% in 2007 due mainly to the general rise in average selling prices, the increase in economies of scale and the delivery of some new high-end development projects with high gross margins during the year.

Other Gains

Other gains comprise : (1) the fair value gains totalling HK\$205 million on the acquisition of certain land sites located in Guangzhou, Huizhou and Shanghai; (2) the negative goodwill of HK\$848 million on the acquisition of a further 30% equity interest in a former jointly controlled entity, Guangzhou Zhujiang Qiaodao Real Estate Limited (“GZQREL”); (3) a surplus of HK\$387 million from revaluation of investment properties, and (4) the tax grants of HK\$44 million from government authorities in the mainland.

Operating Costs

The net operating costs relating to expenses for selling, marketing, general and administration amounted to HK\$781 million representing an increase of 49% from 2006 of HK\$525 million. The increase was mainly due to (1) additional benefits and compensation costs expended on senior management and staff of new projects; (2) greater outlay amounts on selling and promotional activities for new projects; (3) more professional fees incurred towards acquisitions of new projects and companies; (4) donations made to public welfare organizations in the PRC and (5) depreciation of new Tianjin Jingjin Hyatt Hotel and golf course. The increase was, to a certain extent, offset by an exchange gain of HK\$163 million on account of the strengthening of Renminbi.

Finance Costs

Gross interest before capitalization increased to HK\$788 million (2006: HK\$483 million), up HK\$305 million or 63%. The increase was mainly attributable to the additional bank borrowings made in 2007 and the amortisation of interest expense for the United States Dollar settled zero coupon convertible bonds of RMB1,830 million due in 2010. The effective interest rate in respect of the Group's borrowings was approximately 7.2% per annum (2006: 6.9%).

Operating Profit

Operating profit in 2007 increased by 116% to HK\$5,163 million (2006: HK\$2,391 million), up HK\$2,772 million.

Share of Profit of and Other Gains Relating to Jointly Controlled Entities

The Group recorded a share of profit from GZQREL, a jointly controlled entity of HK\$18.3 million (2006: HK\$128.3 million). The decrease was partly attributable to the consolidation of GZQREL in the Group's accounts from September 2007. Together with the negative goodwill arising from the acquisition of a jointly controlled entity located in Beijing of HK\$84 million, the share of profit of and other gains relating to jointly controlled entities decreased by 21% to HK\$102 million (2006: HK\$128 million).

Taxation

The Group has assessed the impact of the new Corporate Income Tax ("CIT") law, which will become effective from, 1st January 2008, on the deferred tax liabilities as of 31st December 2007. Under the new CIT law, the applicable enterprise income tax ("EIT") rate will be reduced to 25% from 33%. The effect of change in EIT rate on deferred tax liabilities was approximately HK\$123 million. As a result, the effective tax rate for 2007 dropped slightly to 32% (2006: 34%).

Excluding the (1) adjustment made to deferred tax liabilities of HK\$123 million; (2) non-taxable items of fair value gains and negative goodwill amounting to HK\$1,053 million, government grants of HK\$44 million and interest income of HK\$50 million, and (3) share of profit from jointly controlled entities of HK\$102 million, the effective tax rate for 2007 would have been 45% (2006: 44%).

Profit Attributable to Equity Holders of the Company

Profit attributable to equity holders was HK\$3,517 million for 2007 (2006: HK\$1,554 million), up HK\$1,963 million or 126%. Fully diluted earnings per share rose by 98% to HK\$2.49. Excluding the effect of the gain representing the difference of the fair value of interests acquired over purchase costs amounting to HK\$1,137 million and the gain from investment property revaluation of HK\$387 million, underlying profit was HK\$1,993 million, up HK\$900 million or 82% as compared with previous year. The increase was mainly attributable to the growth of the property development business and the higher profit margin.

Segment Information

Property development remains the Group's core business activity (96%). The geographical spread of financial performance among different regions this year was similar to that of 2006, except that Huizhou increased revenue contribution to the Group from 4% to 13% in 2007. Guangzhou continued its leading position as top revenue contributor within the Group (41%), followed by Beijing (33%), Huizhou (13%), Shanghai (8%) and Tianjin (5%).

Financial Position

As at 31st December 2007, total assets of the Group amounted to HK\$47,933 million and its total liabilities (excluding minority interests) amounted to HK\$27,855 million, representing an increase of HK\$22,229 million and HK\$10,378 million respectively on the previous year. The increase in total assets was mainly attributable to the increase in (1) investment in new land sites located in Guangdong Province, Beijing, Shanghai and Tianjin, (2) prepayment of land and acquisition costs for land sites located in Guangdong Province, Beijing, Shanghai, Tianjin, Shanxi, Dalian and Qinhuangdao, and (3) acquisition of equity interests in project companies located in Guangdong Province, Shanghai and Tianjin. Aligned with this, total liabilities also increased, primarily due to (1) additional bank borrowings obtained and issue of convertible bonds to finance development projects and (2) increase in accruals and other payables and deferred tax liabilities for newly acquired land sites and companies.

Current ratio increased from 1.88 at last year to 3.43 this year. Equity increased to HK\$20,078 million at 31st December 2007 from HK\$8,228 million at 31st December 2006, due mainly to (1) the contribution from the current year's profit attributable to shareholders; (2) share placement of 182,232,346 shares; (3) increase in convertible bonds reserve, currency translation differences reserve and asset revaluation reserve and; (4) increase in minority interests from newly acquired equity interests in companies.

Liquidity and Borrowings

As at 31st December 2007, the Group's liability-to-asset ratio (i.e. the ratio between total liabilities and total assets, excluding minority interests) was 58% (2006: 68%). The net debt-to-equity ratio (i.e. total debt less cash and bank deposits over shareholders' equity) was 53% (2006: 73%).

As at 31st December 2007, the Group has cash and short-term bank deposits amounting to HK\$2,262 million (2006: HK\$2,570 million) of which approximately HK\$168 million (2006: HK\$131 million) were charged by certain banks in respect of the processing of mortgage facilities granted by the banks to the buyers of the Group's properties. 96% of the cash and bank deposits were denominated in Renminbi, 2% in Hong Kong dollars and 2% in United States dollars.

Total borrowings from banks amounted to HK\$8,191 million as at 31st December 2007 representing an increase of 72% or HK\$3,421 million as compared to those at 31st December 2006. Gearing measured by net bank borrowings, Guaranteed Senior Notes and Convertible Bonds less cash and bank deposits as a percentage of shareholders' equity, was 52%, down 7 percentage point from 59% as at 31st December 2006. The decrease was mainly due to the issue of new shares for acquisition of a land site located in Beijing and increase in profit attributable to equity holders of the Company in 2007.

All of the bank borrowings were either secured or covered by guarantees and were substantially denominated in Renminbi with fixed interest rates whereas the United States Dollars denominated Senior Notes and the Renminbi denominated United States Dollars settled Convertible Bonds due 2010 were both jointly and severally guaranteed by certain subsidiaries with fixed interest rate, representing approximately 63%, 21% and 13%, respectively of the Group's total borrowings.

All of the other borrowings were unsecured, interest-free and substantially denominated in Renminbi.

The Group's borrowings repayment profile as at 31st December 2007 was as follows:

	As at 31st December 2007				Total		As at 31st December 2006				Total	
	Bank Borrowings	Guaranteed Senior notes	Guaranteed Convertible bond	Other borrowings			Bank borrowings	Guaranteed Senior notes	Other borrowings	Total		
	<i>(HK\$ million)</i>						<i>(HK\$ million)</i>					
1 year	2,899	—	—	375	3,274	(25%)	1,345	—	1,146	2,491	(29%)	
1–2 years	3,590	—	—	—	3,590	(28%)	2,232	—	—	2,232	(26%)	
2–5 years	1,546	2,675	1,753	—	5,974	(46%)	1,193	—	—	1,193	(14%)	
After 5 years	156	—	—	—	156	(1%)	—	2,652	—	2,652	(31%)	
Total	8,191	2,675	1,753	375	12,994		4,770	2,652	1,146	8,568		
Less: Cash and bank deposits					(2,262)					(2,570)		
Net borrowings					<u>10,732</u>					<u>5,998</u>		

Financial Guarantee

As at 31st December 2007, the Group provided guarantees to banks for mortgage facilities granted to buyers of the Group's properties which amounted to HK\$7,793 million (2006: HK\$5,297 million).

Contingent Liabilities

Nambour Properties Limited ("Nambour") and the project company of the Gallopade Park project (the "Gallopade Project Company"), each of which is a wholly-owned subsidiary of the Company, together with Guangdong Zhujiang Investment Company Limited ("Zhujiang Investment"), an affiliate of the Group, and another individual (the "Individual Defendant"), have been sued by Guangzhou Municipality Tianhe Technology Park Development Company Limited ("Tianhe Development") in connection with the sale of the site of the Gallopade Park project in Guangzhou (the "Gallopade Site") by the joint venture company (the "JV") established by Zhujiang Investment and Tianhe Development to the Gallopade Project Company. The Group holds 100% of the equity in the Gallopade Project Company through Nambour. Tianhe Development has alleged that (i) Zhujiang Investment prejudiced its rights as a minority shareholder of the JV by procuring the JV to sell the Gallopade Site to the Gallopade Project Company without its consent and (ii) Nambour is jointly liable for its economic loss by accepting the sale. Tianhe Development claims damages for the value of the Gallopade Site and approximately RMB32 million in respect of the amount that was paid by Tianhe Development for the acquisition of the Gallopade Site, as well as a reinstatement of its rights under the JV's shareholders' agreement. The Group believes that (i) the allegation by Tianhe Development in respect of the disposal is invalid as the JV has received monetary compensation for the disposal and an earn-out entitlement from the Gallopade Project Company, (ii) Tianhe Development does not have sufficient evidence to establish Nambour's liabilities in the shareholders' dispute between Zhujiang Investment and Tianhe Development, and (iii) Tianhe Development does not have a sufficient basis to claim the amount of damages claimed by it. In November 2006, the trial court of the Guangdong Provincial Court ordered (i) Nambour, Zhujiang Investment and the Individual Defendant to jointly and severally pay to the JV approximately RMB144 million plus interest, (ii) Zhujiang Investment to pay to the JV approximately RMB308 million plus interest, (iii) the Gallopade Project Company to pay to the JV approximately RMB4 million plus interest, and (iv) that all other claims of Tianhe Development be rejected. The defendants are in process of appealing the court's decision. Based on the advice of the Group's legal advisors, the Directors will vigorously defend the case and therefore no provision has been made in the 2007 financial statements.

Treasury Policies

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

EVENTS AFTER BALANCE SHEET DATE

- (a) On 29th January 2008, the Group entered into a land transfer contract and a first class development reimbursement agreement with Beijing Land Bureau and Beijing Zhujiang Real Estate Development Company, a related company of the Group respectively for a piece of land situated in Ma Ju Qiao, Tong Zhou District, Beijing with a site area of approximately 129,000 square metres. The total consideration of the transaction is HK\$750,559,000 (RMB698,020,000).
- (b) The Group on 2nd April 2008 entered into a first class development reimbursement agreement with Beijing Land Centre and will on 25th April 2008 enter into a land transfer contract with Beijing Land Bureau for a piece of land situated in Qiao Zhuang Village, Yong Shun Town, Tong Zhou District, Beijing with a site area of approximately 115,000 square metres. The total consideration of the transaction is HK\$1,870,967,742 (equivalent to approximately RMB1,740,000,000).

FOREIGN EXCHANGE FLUCTUATIONS

The Group earns revenue and incurs costs and expenses mainly in Renminbi and is exposed to foreign exchange risk arising from the exposure of Renminbi against Hong Kong dollars and US dollars. However, the Group experienced no significant foreign exchange movement and the Directors do not anticipate any significant foreign exchange loss as a result of changes in exchange rate between Hong Kong dollars, US dollars and Renminbi in the foreseeable future.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

EMPLOYEES

As at 31st December 2007, the Group, excluding its associate and jointly controlled entity, employed a total of 7,721 (as at 31st December 2006: 5,083) staff, the majority of which were employed in mainland China. Employees' costs (including Directors' emoluments) amounted to HK\$381 million (2006: HK\$240 million) for the year ended 31st December 2007.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as the code of conduct regarding Directors' securities transactions during the year under review. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code during the year ended 31st December 2007.

CORPORATE GOVERNANCE

Throughout the year ended 31st December 2007, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Listing Rules, except for Code provisions A.4.1 and E.1.2 as described below.

Code A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

The non-executive Directors of the Company are not appointed for a specific term except for Mr. Steven Shafran who is appointed for a term of three years subject to re-election. All the independent non-executive Directors are not appointed for specific term. This constitutes a deviation from Code provision A.4.1. However, as all the non-executive Directors are subject to retirement by rotation at the annual general meetings of the Company in accordance with the Company’s Bye-laws, in the opinion of the Directors, this meets the objective of the Code.

Code E.1.2 stipulates that the chairman of the board should attend annual general meetings. The Chairman of the Board did not attend the annual general meeting for the year 2007 due to other business commitment.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirm that the Company has maintained during the year under review the amount of public float as required under the Listing Rules.

PURCHASE, REDEMPTION AND SALE OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities during the year ended 31st December 2007.

AUDIT COMMITTEE AND REVIEW OF RESULTS

The Company’s audit committee is composed of all the three independent non-executive Directors of the Company. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the financial statements for the year ended 31st December 2007 with the Directors.

The figures in this preliminary announcement of the Group’s results for the year ended 31st December 2007 have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

REMUNERATION COMMITTEE

The Company has established a remuneration committee comprising the three independent non-executive Directors in accordance with the requirements of the Code.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 11th June 2008 to Monday, 16th June 2008, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 10th June 2008.

ANNUAL REPORT

The 2007 annual report containing all the information required by the Listing Rules will be published on the Stock Exchange's website and the Company's website <http://www.irasia.com/listco/hk/hopson>.

DIRECTORS

As at the date of this announcement, the Board is composed of seven executive Directors, namely Mr. Chu Mang Yee (Chairman), Mr. Chen Chang Ying (Chief Executive Officer), Mr. Xiang Bin, Mr. Au Wai Kin, Ms. Xiao Yan Xia, Mr. Zhao Hai and Mr. Xue Hu, one non-executive Director, namely Mr. Steven Shafran and three independent non-executive Directors, namely Mr. Yuen Pak Yiu, Philip, Mr. Lee Tsung Hei, David and Mr. Wong Shing Kay, Oliver.

By order of the Board
Chu Mang Yee
Chairman

Hong Kong, 16th April 2008

* *for identification purpose only*