



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

Hopson Announces 2012 Annual Results
Adhered to its prudent general approach and made strategic
development plan in sensible manner
Achieved stable growth in results

Financial Highlights

For the year ended 31 December	2012 HK\$ million (Audited)	2011 HK\$ million (Audited)	Change
Revenue	9,927	8,008	24%
Profit attributable to shareholders	2,983	1,430	109%
Underlying profit	1,131	1,349	-16%
Basic earnings per share	HK\$ 1.718	HK\$0.818	110%

(28 March 2013 – Hong Kong) – Hopson Development Holdings Limited (“Hopson” or the “Company”, together with its subsidiaries, the “Group”; Stock code: 00754) announced today its annual results for the year ended 31 December 2012.

Given that the domestic economic growth has slowed down and the austerity policies on real estate industry have entered into a deeper stage, the Group, under the principle of its prudent general approach, leveraged on its extensive experience in development and operation, mature operational and management principle, well-established decisions making and governance regime, to ensure that satisfactory business growth was achieved. During the year under review, the Group’s revenue was HK\$9,927 million, representing a year-on-year increase of 24%. Profit attributable to shareholders was HK\$2,983 million for 2012 (2011: HK\$1,430 million). Basic earnings per share was HK\$1.718. Excluding the effect of the net of tax gain from investment property revaluation of HK\$161 million, gain on disposal of available-for-sale financial assets of HK\$1,770 million, and the net of tax impairment loss on other assets of HK\$79 million, underlying profit was HK\$1,131 million, down HK\$ 218 million or 16% as compared with previous year. The overall decrease was mainly attributable to the decrease in net exchange gain. The Board of Directors did not recommend the payment of any final dividend for the year ended 31st December 2012 (2011: nil).

Facing the continuous macro-control measures and the ever-changing market condition, the Group had made reasonable plan for its strategic development. During the reporting period, the Group delivered satisfactory results, GFA delivered was 512,783 square meters. The average selling price for delivered properties in 2012 was HK\$16,637 per square meter. During the year, the Group’s strategy to optimize income structure and balance various sources of income had proven to be successful. In 2012, income from property development was HK\$8,852 million, income from property management was HK\$584 million, income from property investment and income from hotel operation were HK\$253 million and HK\$238 million respectively.

In 2012, the Group recorded contracted sales of HK\$14.361 billion, up 20% from that of 2011. GFA of contracted sales was 674,619 square meters. The average contracted selling price was HK\$21,287 per square meter. During the reporting period, the Group's focus in the three Core Economic Zones and the strategy of balanced distribution had proven to be successful. Southern China, eastern China and northern China contributed HK\$3.193 billion, HK\$4.095 billion and HK\$2.639 billion to the Group's revenue respectively. As at 31 December 2012, deferred sales of the Group was HK\$14.233 billion, equivalent to a GFA of 982,105 square meters. Such amount was expected to be recognized in 2013 and afterwards.

Commenting on the annual results, Mr. Zhang Yi, Executive Director of Hopson, said, "In 2012, the control system of the real estate industry became increasingly comprehensive and the practices of the real estate market were progressively standardized, while the protection for the real estate market was basically stable. The Group achieved stable development in the face of a market environment governed by the state's "unswerving stance on austerity policies". During the period of adjustment, the Group will further emphasize on enhancing the quality of products and adding value to products. At the same time, the Group will carry out corporate strategic transformation in a stable manner, through our solid project operations; we will expand our market share, upgrade our brand value and gain recognition from the market and society."

To maintain a stable and continuous business development and to secure its ability for sustainable development, the Group adopted a prudent and ordered principle in land bank acquisition. In 2012, in order to maintain a balanced product portfolio and further enrich the product mix, the Group acquired two land plots with development area of approximately 822,700 sq.m. in the first-tier cities such as Guangzhou and Shanghai. Moreover, the Group acquired one parcel of land with development area of approximately 421,900 sq.m. in the second tier cities, such as Huizhou, which has vast development potential. As at 31st December 2012, the land bank of the Group was approximately 33.24 million sq.m., which is sufficient for the rapid development of the Group in the future.

Looking ahead, Mr. Chu Mang Yee, Chairman of Hopson, concluded, "In 2013, it is expected that the government will not waver in control of the real estate industry. Various measures will be deepened which will ultimately perfect the control system of the real estate market. Nevertheless, considering the continuous increase in consumption power of the general public and the further deepening of urbanization on the basis of the "Twelfth Five-Year Plan", the Group holds a prudently optimistic view towards the real estate market. The Group will continue to perfect its monitoring system, strengthen its risk awareness and optimize its internal management, so as to respond to the changes and challenges of the internal and the external markets. Besides, the Group will consider raising investment return as its highest goal, further balance its business structure, and improve its product quality in order to meet market demand so as to achieve continuous and steady growth of the Group's results."

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