



合生創展集團有限公司

HOPSON DEVELOPMENT HOLDINGS LIMITED

Hopson Announces 2019 Annual Results

**Net profit surged by 64.2% to
approximately HK\$9.5 billion**

**The company focused on development and sales of residential
properties and pressed on with business diversification**

Financial Highlights

HK\$ million (Audited)	For the year ended 31 December		Change
	2019	2018	
Revenue	18,601	13,294	+39.9%
Profit attributable to equity holders*	9,486	5,775	+64.2%
Underlying profit**	3,230	2,303	+40.3%
Basic earnings per share (HK\$)	4.26	2.60	+63.8%
Annual dividend (HK\$/share)	0.40	0.40	Unchanged

* Excluding non-controlling interests

** Excluding 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 financial assets at fair value through profit or loss and the net of tax gain from disposal of subsidiaries and associates as well as joint ventures

(24 March 2020 — Hong Kong) – **Hopson Development Holdings Limited** (“Hopson” or the “Company”, which together with its subsidiaries, is referred to as the “Group”; stock code: 00754) announced its audited annual results for the year ended 31 December 2019 (the “Year”).

In 2019, the central government forged ahead with the policies on developing the Beijing-Tianjin-Hebei Region, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area. Hopson timely increased its land bank in these regions during the Year and strived to develop and boost the sales of residential properties targeting both the upgraders’ demand and rigid demand, thus accelerating the Group’s collection of cash from sales of properties. For the year ended 31 December 2019, the Group recorded a revenue of about HK\$18.601 billion, representing an increase of 39.9%. Profit attributable to equity holders of the Company surged by 64.2% to about HK\$9.486 billion. Basic earnings per share were HK\$4.26. The Board of Directors recommends the payment of a final dividend of 30 HK cents per share, bringing the annual dividend amounted to 40 HK cents.

Residential Property Business

In 2019, the Group is committed to pushing forward with its strategy for development with equal emphasis on asset-light and asset-heavy business models. This is aimed at achieving the healthy and sustainable development of its core business of residential property development and sales. During the Year, the Group delivered a number of property projects, including Beijing Hopson No.8 Royal Park, The Town of Hangzhou Bay, Huizhou Hopson International New City, Shanghai Hopson Asset Seascape Residence and Guangzhou Hopson Hushan Guoji Villa as it continued to expand its strategic geographical market coverage in the three core economic regions, namely the Pan-Bohai Bay Economic Rim, Peral River Delta and Yangtze River Delta. Overall, revenue from the business of property development rose by 48.7% to approximately HK\$12.848 billion compared with that in 2018.

The Group's several best-selling property projects drove up the annual contracted sales to a new high. In 2019, the Group's contracted sales rose by 42% to RMB21.258 billion while the properties sold under contracts in terms of gross floor area ("GFA") totalled approximately 1,652,400 sq.m. As affected by market factors and the structure of product sales, the average contracted selling price increased 11.4% to RMB12,865 per square metre.

Commercial Real Estate Business

The Group continued to actively expand the geographical market coverage of its commercial real estate business and steadily stepped up its effort to develop that business in order to actively capture the business opportunities arising from the growing trend of consumption upgrade. Leveraging the high-quality land reserves in first-tier core cities in southern, eastern and northern China, the Group adopted a business model that focuses on return on investment to develop and operate investment properties such as urban complexes, shopping malls, office buildings, industrial parks and hotels. In 2019, the commercial property business further increased its contribution to the Group's revenue. In 2019, its revenue rose by 29.5% to approximately HK\$3.154 billion while its leased GFA increased by 21.3%.

Property management

The Group's business of property management further developed the less explored market of property management, and further increased the area of properties under management and various online and offline value-added services of its property management business. Meanwhile, the Group also established a global lifestyle brand, "MAHA China", to take advantage of the increasing demand for tertiary services on the domestic market, and thus unlock more added value of its premium property projects.

Infrastructure

During the Year, the Group's Infrastructure business continued to develop steadily and improved the overall brand image of the Group. The construction companies and construction design companies under the Group primarily engage in the undertaking the construction works and construction design of the Group's own property projects as well as external contracted works. During the Year, revenue from the infrastructure business increased by 30.7% to approximately HK\$1.415 billion.

Ms. Chu Kut Yung, Chairman of Hopson, said, "In 2020, the Group will adhere to its corporate culture of mutualism with integrity and innovation and continued with its strategy of making breakthroughs in less explored businesses in the face of the changes in both the domestic and overseas economy and the novel coronavirus pneumonia epidemic. It will strive to develop its online sales services to encourage people with upgrader demand and rigid demand to seize the golden opportunities for buying homes. Meanwhile, the Group will continue to fine-tune its strategy for business diversification by further optimising the tenant portfolio of its investment properties, increasing the area of properties under management and enhancing the value-added services of its property management business as it works towards the strategic goal of becoming 'the premium lifestyle operator who covers the entire value chain of property development and management'."

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