

[For Immediate Release]



合生創展集團有限公司

HOPSON DEVELOPMENT HOLDINGS LIMITED

HOPSON ANNOUNCED INTERIM RESULTS 2004

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**PROJECTS IN GUANGZHOU AND BEIJING WERE WELL RECEIVED
TURNOVER AND PROFIT ATTRIBUTABLE TO SHAREHOLDERS
INCREASED BY 60% AND 101% RESPECTIVELY**

Financial Highlights

For the Six months ended June 30	2004 HK\$'000	2003 HK\$'000	YOY (%)
Turnover	1,712,352	1,067,511	60
Profit Attributable to shareholders	186,864	92,808	101
Basic earnings per share	19 cents	9 cents	111
Interim dividend	3 cents	2 cents	50

(September 6, 2004 - Hong Kong) - Hopson Development Holdings Limited ('Hopson' or the 'Company', together with its subsidiaries, the 'Group', stock code: 754) today announced its interim results for the six months ended June 30, 2004. The Group's turnover during the period under review reached a new high of HK\$1,712,352,000, representing a growth of 60% over the corresponding period in 2003. Profit attributable to shareholders was HK\$186,864,000, representing an increase of 101% over corresponding period last year. Earnings per share were HK 19 cents.

The Board of Directors recommended the payment of an interim dividend of HK3 cents per share for the six months ended June 30, 2004.

Leverage on the Group's sustained efforts and proactive business development outside Guangzhou, the Group has established its brand reputation in the property market of mainland China. During the period under review, as the Chinese economy was still developing fast, the PRC government implemented a series of macroeconomic measures with a view to stabilizing certain overheated industries. However, with Hopson's competitive advantages of well-known brandname and strong sales network, the Group managed to record a growth in both turnover and profit. The Group is well prepared to maintain its competitive advantages in the industry.

During the period under review, the Group, including Regal Riviera, sold 2,994 units or approximately 334,614 sq.m. of the development projects in Guangzhou and Beijing. Revenue generated from the projects in Guangzhou accounted for 57% of sales in the first half of 2004. Recently developed projects, such as Gallopade Park – South Court, Huanan New City, Fairview South Court, Phase VI of Huajing New City and Pleasant View Garden continued to make significant contribution to the Group's profit. Benefited by Guangzhou's successful attainment of the right to host the Asian Games in 2010, coupled with the announcement of the "9+2 Pan-Pearl River Delta Strategy", the sales of Gallopade Park – South Court and Huajing New City, the Group's property projects located in the Tianhe district, accelerated with an increase of 4% and 6% in unit selling prices respectively. The Group's Regal Riviera, Pleasant View Garden and Huanan New City also recorded a year-on-year increase of 3%, 17% and 6%, in unit selling prices respectively as compared with the same period last year. All these demonstrated the product quality and market recognition of the Group.

Furthermore, the Group's business in Beijing maintained stable growth. The Group has successfully gained eminent reputation throughout the major cities in the PRC. This year, several projects in Beijing were able to sustain sales. Sales in Beijing accounted for 43% of total sales during the period under review, with Beijing Regal Court alone contributed 24% of the total sales. The Group is on hand to solely develop approximately 517,475 sq.m. of the Lung Meng project, the pre-sale of which has commenced in August.

During the period under review, the Group's project development in Guangzhou and Beijing progressed smoothly as scheduled; various property developments continued to gain promising reception and praises from customers. For Shanghai and Tianjin, the development of the Lung Meng project and Jingjin New City has already commenced and is expected to contribute revenue to the Group in the second half of 2004. In order to implement Hopson's strategy of sustainable development, the Group will continue its strategic acquisition of quality land resources in various high growth cities with high potentials such as Guangzhou and Shanghai, which will further enhance the Group's already abundant land reserves for development. In the first half of 2004, the Group acquired an effective interest of 70% in Dynawell Investment Limited, a company which owns a site area of 56,440 sq.m. in Nanzhou Road, Guangzhou.

Talking about the Group's future prospects, Mr. Chu Mang Yee, Chairman of Hopson, said, "Benefiting from the right to host the 2008 Olympic Games and the 2010 Asian Games, the core development regions of the Group, Beijing and Guangzhou, will enjoy immense potentials in the coming years. The Lung Meng project in Shanghai and the Jingjin New City in Tianjin will commence sales in the second half of 2004. On 23 June 2004, the Group entered into agreements with its joint venture partners, to acquire the interest of the Group's eight projects in Guangzhou and Beijing for a total consideration of RMB840 million (approximately HK\$800 million). Since the projects are expected to have great profitability and development potentials, the management believes that the acquisition will have a positive impact on the Group's profit. The Group will continue to capture investment opportunities, strengthen business quality and sharpen its unique competitive edges, so as to maintain its market leadership."

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