

[For Immediate Release]



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

HOPSON ANNOUNCED INTERIM RESULTS 2005
PROFIT ATTRIBUTABLE TO SHAREHOLDERS ACHIEVED HK\$397 MILLION

Financial Highlights

| For the six months ended June 30 | 2005 HK\$'000 | 2004 HK\$'000 (Restated) | Change (%) |
|-------------------------------------|--------------------------|--------------------------------|---------------|
| Turnover | 1,587,374 | 1,519,508 | +4.5% |
| Gross profit | 601,025 | 357,181 | +68.3% |
| Profit attributable to shareholders | 397,088 | 134,934 | +194.3% |
| Basic earnings per share | 40 HK cents | 13 HK cents | +207.7% |
| Proposed interim dividend | 9.75 HK cents | 3 HK cents | +225% |

(13 September 2005 – Hong Kong) – Hopson Development Holdings Limited (“Hopson” or the “Company”, together with its subsidiaries, the “Group”; Stock code: 754) announced today its interim results for the six months ended 30 June 2005. Following the adoption of the new applicable accounting standards in respect of recognition of revenue, the Group’s turnover recorded a slight increase of 4.5% during the period under review, reaching HK\$1,587,374,000. Profit attributable to shareholders was HK\$397,088,000. Underlying net profit, excluding the negative goodwill of HK\$114,526,000 arising from the acquisition of a 29.5% equity interest in Regal Riviera being recognized as income and the effect of revaluation of investment properties of HK\$12,885,000 was up 100% to HK\$269,677,000. Basic earnings per share were 40 cents. The Board of Directors recommended the payment of an interim dividend of HK9.75 cents per share for the six months ended June 30, 2005.

Commenting on the Group’s interim results, Dr. Wu Jiesi, Managing Director and CEO of Hopson, said, “During the period under review, the Chinese economy continued to grow at 9.5% in terms of GDP. Despite the austerity measures to curb speculation, growth in demand for real estate remained healthy and steady. The austerity measures exerted different degrees of impact across major cities, with sales in Guangzhou less affected while sales slowdown significantly in Shanghai. Nonetheless, we believe that the austerity measures will provide a healthier operating environment for the property sector in the future.”

During the period under review, all the Group’s development projects spanning across Guangzhou, Shanghai, Tianjin and Beijing recorded encouraging growth. Total gross floor areas (“GFA”) of 419,986 sq.m. (of which 364,640 sq.m. were attributable to the Group) were sold. Development projects in Guangzhou were benefited by the construction of infrastructure and transportation networks nearby. Inclusive of Regal Riviera, a total GFA of 247,723 sq.m. (of which 209,759 sq.m. were attributable to the Group) with value of HK\$ 1,468,792,000 were sold. In addition, due to 2008 Olympic Games in Beijing, sales in Beijing continued to grow. Total GFA sold reached

102,732 sq.m., generating sales revenue of HK\$ 727,972,000. The Group continued to perform well in Shanghai and Tianjin. Total GFA sold in Shanghai and Tianjin amounted to 69,531 sq.m. (of which 52,149 sq.m. were attributable to the Group).

All projects developments made satisfactory progress during the first half of 2005. The construction work for new development projects, including Huizhou Regal Riviera Bay and Yunshan Xijing, is already underway and that for Beijing Hopson International Garden is expected to commence in the second half of 2005. To facilitate the future growth and enrich the landbank portfolio, Hopson acquired two land sites located in Beijing with total GFA of approximately 202,700 sq.m. for an aggregate consideration of approximately RMB511 million, which made Hopson's landbank one of the largest among the listed PRC property developer.

Talking about the prospects of the Group, Dr. Wu concluded, "Though the austerity measures may have short term impact on the sales, we are optimistic of the property sector as the economy continued to experience sustainable growth and the strong demand of high quality housing due to urbanization. We believe the austerity measures will accelerate the consolidation of the sector. The Group will leverage its substantial experience in the property sector, strong financials and well recognized brand name to capture these opportunities, and will strive to become the largest property developer in the PRC."

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