

[For Immediate Release]



合生創展集團有限公司

HOPSON DEVELOPMENT HOLDINGS LIMITED

**HOPSON ANNOUNCED INTERIM RESULTS 2006
TURNOVER AND NET PROFIT ROSE 27% AND 10%
REACHING 2,022 MILLION AND 437 MILLION RESPECTIVELY**

Financial Highlights

For the six months ended 30 June	2006 HK\$'000 (Unaudited)	2005 HK\$'000 (Unaudited)	Change (%)
Turnover	2,021,644	1,587,374	+27%
Gross profit	773,557	601,025	+ 29%
Profit attributable to shareholders	437,066	397,088	+ 10%
Basic earnings per share	HK36 cents	HK40 cents	-10%
Proposed interim dividend	HK10.8 cents	HK9.75 cents	+ 11%

(14 September 2006 – 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 2006.

For the six months ended 30 June 2006, the Group has achieved a turnover of HK\$2,022 million, increased by 27% when compared to the corresponding period last year. Profit attributable to shareholders was HK\$437 million, representing an increase of 10%. Earnings per share dropped by 10% over the corresponding period in 2005 to HK36 cents as the number of shares increased by 22% over the corresponding period. The Board of Directors recommended the payment of an interim dividend of HK10.8 cents per share for the six months ended 30 June 2006, representing a 11% increase as compared to HK9.75 cents in the first half of 2005.

Commenting on the Group’s interim results, Dr. Wu Jiesi, Managing Director and CEO of Hopson, said, “During the first half of 2006, China’s economy remained strong and its gross domestic product rose 10.9% as compared to the corresponding period last year. The Chinese government continued to implement new macroeconomic measures in an attempt to cool the overheated property market. Despite these measures, the increase of the Group’s turnover and net profit attributable to shareholders were attributable to the strong growth of the PRC property market, the commencement of delivery of properties with higher unit-selling prices and the increased average selling prices of the properties delivered.”

Total turnover for the period under review was HK\$2,022 million, with 95% from property development and the balance from property management and property investment. Gross profit margin for the first half of 2006 maintained at 38%, comparable to that of the first half of 2005. Net profit margin was maintained at 24%.

During the period under review, sales performance in Guangzhou and Beijing remained strong, with total GFA sold in Guangzhou (inclusive of Regal Riviera) and Beijing reached 247,609 sq.m. and 147,045 sq.m. respectively, and contracted sales amounted to RMB1,776 million and RMB1,488 million respectively and representing increases of 14% and 93% respectively over the same period in 2005. The Group's properties sold in Shanghai and Tianjin remained steady, with a total GFA of 76,205 sq.m. sold and contracted sales amounted to RMB 456 million which was 20% higher than that in the first half of 2005. In terms of percentage of contracted sales of properties, contributions from Guangdong (inclusive of Regal Riviera), Beijing, Shanghai and Tianjin were 48%, 40%, 7% and 5% respectively.

As at 30 June 2006, the GFA for which the Group had entered into sale and pre-sale contracts but yet to be delivered to buyers amounted to 733,863 sq.m.. Following the delivery of these properties, the sale and pre-sale amount of HK\$5,028 million will be recognized in the Group's accounts in the second half of 2006 and thereafter.

Hopson realized the importance of quality land bank with optimum geographical diversification, and the Group actively acquired land sites that meet certain quality standards which provide the Group with vast development potential in its core operating areas. As of 30 June 2006, the Group had, inclusive of an investment project – Regal Riviera, a land bank of 13.6 million sq.m.. Our land bank is located in the major cities, with a geographical spread of 43%, 10%, 7%, 26% and 14% in Guangzhou, Beijing, Shanghai, Tianjin and Huizhou respectively. During the first half of 2006, the Group completed the acquisition of equity interests in companies holding the land use rights or land grant contracts in both Guangzhou and Shanghai with a total GFA of 650,069 sq.m.. In addition, the Group has also entered into several equity transfer agreements with various parties who were the owners of land sites in Guangzhou, Beijing and Tianjin involving a total GFA of approximately 1.2 million sq.m..

The Group entered into a conditional share purchase agreement on 21 July, 2006 to sell its interest in Interwell Developments Limited ("Interwell") for a consideration of US\$300 million, subject to adjustment in accordance with the agreement, in which the Group has 50% interest. The underlying asset of Interwell is Shanghai Hopson International Tower, which is currently under construction. The project is scheduled for completion in 2008 and the estimated gain of disposal is approximately HK\$500 million.

Looking ahead, Dr. Wu concluded, "We believe the latest series of macro control measures imposed by the PRC Government aim to stabilize the property prices and create sound prospects for the domestic property market in the long run. In the second half of 2006, two of our projects in Huizhou and Shanghai will commence pre-sale, and we remain optimistic of the sales performance of these two projects. In view of the strong economic growth in the PRC, coupled with the increasing demand of quality housing from the growing middle class, we remain positive on the outlook of the property market and will continue to expand our portfolio of projects in our core operating areas through organic growth and M&A opportunities, thereby maximizing return of our shareholders.

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