

【For Immediate Release】



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

Hopson Announces 2011 Interim Results
Turnover Reached HK\$4,833 Million and Average Selling Price of
Delivered Units Increased by 48% to RMB16,014 per sq.m.

Financial Highlights

For the six months ended 30 June	2011 HK\$ million (Unaudited)	2010 HK\$ million (Unaudited)	Change
Turnover	4,833	4,668	+4%
Net profit	1,020	1,517	-33%
Underlying profit	1,006	1,514	-34%
Underlying Profit excluding gain of disposal of company*	1,006	556	+81%
Basic earnings per share	HK58.2cents	HK90.2 cents	-35%

*Note: Disposal of Cheerocean Investments Limited on 16 March 2010

(26 August 2011 – Hong Kong) – Hopson Development Holdings Limited (“Hopson” or the “Company”, together with its subsidiaries, the “Group”; Stock code: 00754) announced today its interim results for the six months ended 30 June 2011.

During the period under review, the Group’s turnover was HK\$4,833 million, representing a year-on-year growth of 4%. Net profit was down 33% to HK\$1,020 million. Underlying profit reached HK\$1,006 million, which surged by 81% when compared to underlying profit of HK\$560 million after excluding the gain on disposal of Cheerocean Investments Limited of HK\$958 million in the corresponding period in 2010. Basic earnings per share reached HK58.2 cents. The Board of Directors does not recommend the payment of any interim dividend for the six months ended 30 June 2011.

During the first half of 2011, the Group achieved a recognized sales of properties amounted to HK\$4,444 million (RMB3,739 million), and to HK\$4,361 million (RMB3,823 million) during the same period of 2010. Average selling price of delivered units was RMB16,014 per square meter, significantly up 48 % (1H 2010: RMB10,794). The Group’s turnover was HK\$4,833 million for the period, among which HK\$4,444 million was from property sales, representing about 92% of the turnover. In recent years, the Group has engaged in various business segments including development of residential properties, development and operation of commercial properties, hotel operation and management and property management. It forms a reasonable product mix of the sale of residential projects and long-term holding and management of commercial properties, and gradual increase of investment on commercial properties.

In the first half of 2011, total contracted sales of the Group decreased 8% to HK\$6,330 million compared to the first half of 2010. Average contracted selling price decreased 21.6% over the first half of 2010 to reach RMB14,714 per square metres. Guangdong, Shanghai and Beijing contributed 31.7%, 25.7% and 42.6% to the total contracted sales in the first half of 2011 respectively. As at 30 June 2011, deferred contracts amounted to HK\$12,345 million, comprising a GFA of 681,814 square meters and such revenue is expected to be recognized in the second half of 2011 and thereafter.

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The Group continued to adopt rational and prudent strategy. During the period under review, the Group rationally controlled investment risks and timely grasped opportunities of acquiring suitable land resources. As at 30 June 2011, the Group's total land bank amounted to a GFA of 30.50 million square meters.

Commenting on the interim results, Mr. Xue Hu, CEO of Hopson, said, "In the first half of 2011, the government remained its control over the real estate industry, especially the residential market. In view of the situation, the Group adapted to changes in the market that it increased its efforts on commercial property investment, in order to optimize the asset structure and manage to achieve a sustainable and healthy development of the Group, on a basis of the development strategy of the Group to develop quality properties. The distinguished features of the Group included the extensive and reasonable regional planning, diversified product mix, prudent land bank strategy and rigorous operational management, will effectively enhance the Group's capacity of resisting policies and market risks while establishing a solid foundation for long-term development of the Group under the impact of ongoing launch of macro-economy policies."

In the second half of 2011, the Group will launch a series of new projects in prosperous cities such as Guangzhou, Beijing, Tianjin, Qinhuangdao, Cixi of Zhejiang, Kunshan of Jiangsu and Taicang of Jiangsu, totally ten new projects. The new projects will either be in prime locations of the cities, or countryside villas with natural landscape, or large-scale composite projects with comprehensive facilities in second-tier cities. We expect that these projects will generate satisfactory sales to the Group with the accumulating positive influence of brand recognition and effective marketing strategies.

Looking ahead, Mr. Chu Mang Yee, Chairman of Hopson, concluded, "In the future, the Group will continue to adhere to the development strategy in establishing high quality real estate projects, optimize the Group's multi segments integrated strategic development structure, and achieve structure optimization and quality upgrade in the development of residential properties, development and operation of commercial properties, hotel operation and management. The Group will also continue to carry out transformation from the direction underlying the development strategy of production-oriented development mode, which targets at scale expansion and quick turnover, to investment-and-operational-oriented mode, which aims at structure optimization and sustainable development. Through improving investment portfolio and regional planning, the Group runs the business smoothly and is endeavor to maximizing the value of investors."

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