

[For Immediate Release]



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

Hopson Announces 2013 Interim Results
Made timely moves to seize the opportunity from market adjustment
Achieved prudent development

Financial Highlights

For the 6 months ended 30 June	2013 HK\$ million (Unaudited)	2012 HK\$ million (Unaudited)	Change
Revenue	4,967	5,123	-3.0%
Profit attributable to shareholders	2,124	2,631	-19.3%
Underlying profit	678	821	-17.4%
Basic earnings per share	HK\$1.22	HK\$1.52	-19.7%

(27 August 2013 – Hong Kong) – Hopson Development Holdings Limited (“Hopson” or the “Company”, together with its subsidiaries, the “Group”; Stock code: 754) announced today its unaudited interim results for the six months ended 30 June 2013.

In the first half of 2013, the macro-economy of China showed a weak recovery while the control measures on real estate were still stringent. Nonetheless, the Group, under the principle of its prudent general approach, still managed to achieve stable business growth. During the period under review, the Group’s revenue was HK\$4,967 million, representing a year-on-year decrease of 3%. Profit attributable to shareholders was HK\$2,124 million (1H2012: HK\$2,631 million). Basic earnings per share amounted to HK\$1.22. Excluding the effect of the net of tax gain from investment property revaluation of HK\$58 million and the net of tax gain from investment property revaluation of a jointly controlled entity of HK\$1,388 million, underlying profit was HK\$678 million. The Board of Directors did not recommend the payment of any interim dividend for the six months ended 30 June 2013.

Commenting on the interim results for the first half of 2013, Ms Chu Kut Yung, Executive Director & Deputy Chairman said, “In the first half of 2013, notwithstanding the generally positive tone of the market, the control measures on real estate are still stringent. The implementation of “Five Measures” and its implementation rules illustrated the determination of the new government to restraint the real estate market. It also indicated that the general principle to suppress speculative investment demands and to safeguard reasonable demands will remain unchanged, and policies including restrictions on property purchases, mortgage loans and property prices will be maintained. As a result, the real estate market is still exposed to political risk resulting from suppressing the excessive rise in property prices. We believe the control measures on the domestic real estate industry will not change in the short term and the real estate market will become more mature gradually. To seek for opportunities among challenges and develop against adversities, the Group will make timely moves so as to seize the critical opportunity of in-depth adjustment in the real estate market structure.”

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During the period under review, properties sold under sale and pre-sale contracts in the first half of 2013 totaling RMB5,564 million (1H2012: RMB5,820 million). GFA of contracted sales was 310,341 square meters. The average contracted selling price was HK\$22,307 per square meter. During the period under review, the Group's focus in the three Core Economic Zones and the strategy of balanced distribution had proven to be successful. Southern China, eastern China and northern China contributed HK\$1.832 billion, HK\$0.928 billion and HK\$2.207 billion to the Group's revenue respectively.

During the period under review, the Group's strategy to optimize income structure and balance various sources of income had proven to be successful. Income from property development was HK\$4,430 million, income from property management was HK\$318 million, income from property investment and income from hotel operation were HK\$101 million and HK\$118 million respectively.

A total GFA of 261,861 square metres (1H2012: 248,871 square metres) was delivered in the first half of 2013. A total GFA of approximately 301,097 square metres was completed in the first half of 2013 while a total GFA of approximately 1,558,276 square metres is expected to be completed in the second half of 2013.

As at 30 June 2013, the total GFA in respect of which the Group had entered into sale and pre-sale contracts and yet to be delivered to buyers was 1,030,585 square metres (31 December 2012: 982,105 square metres). Following the delivery of these properties, the proceeds received therefrom totaling HK\$16,470 million will be recognised as revenue in the Group's financial statements in the second half of 2013 and thereafter.

To maintain a stable and continuous business development and to secure its ability for sustainable development, the Group adopted a prudent and ordered principle in land bank acquisition. As of 30 June 2013, the Group had a landbank of approximately 32.97 million square metres (31 December 2012: 33.24 million square metres).

Looking ahead, Mr. Chu Mang Yee, Chairman of the Group concluded, "Looking into the second half of 2013, the macro-control of the real estate market is expected to be adopted continuously and the restraining policies will focus on cities where property prices increased excessively. Yet we believe that as the government gradually deepens the macro-control on the real estate market, the real estate market will progressively develop in a benign manner and the real estate industry will become more mature. In the second half of the year, the Group will launch a series of new projects which are mainly situated in prosperous hotspot cities such as Beijing, Shanghai, Guangzhou, Tianjin, Taiyuan, Ningbo, Kunshan of Jiangsu, Qinhuangdao and Dalian. These new projects will either be in core prime locations of the cities, or will be large-scale composite projects in second-tier cities with well-developed and comprehensive amenities. Adhering to the high quality standard for developed products of the Group with world-class services and clear market positioning, these projects started to gain the attention and recognition from target customers. The Group expects that through leveraging on the strong brand recognition and implementing effective marketing strategies, such projects will generate continuous satisfactory sales for the Group."

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