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合 生 創 展 集 團 有 限 公 司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 754)

website: <http://www.irasia.com/listco/hk/hopson>

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2014

FINANCIAL HIGHLIGHTS

(for the six months ended 30th June 2014)

- Turnover was HK\$5,769 million.
- Profit attributable to equity holders was HK\$841 million.
- Basic earnings per share was HK\$0.375 per share.

BUSINESS REVIEW

Industry overview

In the first half of 2014

- During the first half of 2014, the real estate industry had a moderate downward adjustment. At the beginning of this year, the Ministry of Housing and Urban-Rural Development set “Bidirectional Regulation” as the keynote of the austerity measures on real estate. Under such approach, the government targeted at first-tier cities to increase the supply continuously, suppressed speculative investment demands and adhered to the purchase restriction policy. For cities with relatively large inventories, emphasis was put on the control of the supply structure of land and housing.
- The central government has not introduced new austerity measures, but emphasized on establishing and improving the long-standing mechanisms, such as the system of affordable housing, registration of real estates and the legislation of real estate taxes, so as to ensure healthy development of the real estate market.

* For identification purposes only

- While facing the market downturn, the Group continues to enhance its risk awareness, optimize the product mix constantly, ensure financial health and avoid policy risks as well as market risks in all possible ways. Furthermore, in order to enhance the Group's overall income level, the Group gradually integrates the investment structure and increases its investment in investment properties in a stable and continuous manner.

Contracted sales performance

Details of properties sold under sale and pre-sale contracts in the first half of 2014 totalling RMB1,815 million (2013: RMB5,564 million) are as follows:

The decrease in sales was attributable to the cooling down market condition and a wait-and-see attitude adopted by purchasers.

- In Beijing and Tianjin, a total GFA of 27,299 square metres (2013: 142,502 square metres), with a carrying value of RMB648 million (2013: RMB2,804 million) was sold. The decrease in sales was mainly caused by the limited supply of saleable properties of Hopson World Garden and Hopson Regal Park as compared to that of the same period last year.
- In Shanghai, a total GFA of 32,727 square metres (2013: 60,842 square metres), with a carrying value of RMB266 million (2013: RMB1,138 million) was sold. The decrease in sales was principally due to the fact that there is no replenishment of new units during the period and the slow-selling of the remaining large-size units of The Town of Hangzhou Bay and Hopson Times Garden bundled with villas.
- In Guangzhou, a total GFA of 39,619 square metres (2013: 46,119 square metres), with a carrying value of RMB659 million (2013: RMB1,039 million) was sold. The decrease in sales was mainly due to the slowdown in sales of properties in the central district.
- In Huizhou, a total GFA of 31,631 square metres (2013: 60,878 square metres), with a carrying value of RMB242 million (2013: RMB583 million) was sold. The decrease in sales was mainly attributable to the fact that the remaining unsold units of Hopson Regal Bay, our major urban property, were being sold; and that the stock of units of non-urban properties are mainly large-size units, resulting in a lower turnover rate.

Properties sold but yet to be delivered

As at 30th June 2014, the GFA in respect of which the Group had entered into sale and pre-sale contracts and yet to be delivered to buyers was 839,882 square metres (31st December 2013: 983,506 square metres). Following the delivery of these properties, the proceeds received therefrom totalling HK\$15,366 million will be recognised as revenue in the Group's financial statements in the second half of 2014 and thereafter.

Delivery of properties

A total GFA of 274,899 square metres (2013: 261,861 square metres) was delivered in the first half of 2014.

Project development progress

- A total GFA of approximately 646,473 square metres was completed in the first half of 2014.
- A total GFA of approximately 1,474,705 square metres is expected to be completed in the second half of 2014.

Landbank

As of 30th June 2014, the Group had a landbank of 32.98 million square metres (31st December 2013: 33.45 million square metres).

Prospects

- The Group strongly believes that the government will persist in establishing and improving long-standing mechanisms such as the system of affordable housing, registration of real estates and the legislation of real estate taxes in order to ensure the long-term and healthy development of the real estate market. The Group will rationally analyze the market environment and master market changes. We will also seize the opportunities brought by the structural adjustment of real estate industry proactively and enhance the level of internal management and product services.
- Currently, the policies regarding real estate are primarily focused on the market-oriented adjustments. Some local governments have gradually loosened the administrative control towards the real estate industry and it is increasingly obvious that real estate market is again determined by market forces. The Group will make timely moves, adjust operating strategies when appropriate, respond to market changes proactively and seize the opportunity offered by the structural adjustment of the real estate industry, so as to further exert the strategic advantages of the Group.
- In the second half of the year, the Group will launch a series of new projects and new phases in prosperous cities such as Beijing, Shanghai, Guangzhou, Taiyuan, Ningbo, Kunshan, Qinhuangdao and Huizhou. These new projects and new phases are mainly regular demand products.

The board (the “Board”) of directors (the “Directors”) of Hopson Development Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30th June 2014 together with the comparative figures for the previous period.

The interim financial information of the Company for the six months ended 30th June 2014 has been reviewed by the Company’s audit committee and the Board.

CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	Six months ended	
		2014	2013
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenues	4	5,769,240	4,967,360
Cost of sales	6	(3,951,402)	(3,122,692)
Gross profit		1,817,838	1,844,668
Fair value gain on investment properties		436,686	76,762
Other income/gains, net	5	104,622	207,022
Selling and marketing expenses	6	(288,208)	(204,392)
General and administrative expenses	6	(587,980)	(593,026)
Finance income	7	9,279	18,014
Finance costs	7	—	(13,784)
Share of profit of associates		144	555
Share of profit of joint ventures	8	35,628	1,399,444
Profit before taxation		1,528,009	2,735,263
Taxation	9	(703,677)	(666,429)
Profit for the period		824,332	2,068,834
Attributable to:			
Equity holders of the Company		841,128	2,123,979
Non-controlling interests		(16,796)	(55,145)
		824,332	2,068,834
Earnings per share for profit attributable to equity holders of the Company during the period (in HK\$ per share)			
— basic and diluted	10	0.375	1.223
Dividend	11	—	—

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	
	30th June	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period	824,332	2,068,834
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Fair value gain/(loss) on available-for-sale financial assets	162,027	(522,583)
Assets revaluation reserve realised upon disposal of properties held for sale	(11,813)	(1,681)
Deferred tax	(35,211)	131,447
Currency translation differences	(612,842)	870,122
Other comprehensive (loss)/income for the period, net of tax	(497,839)	477,305
Total comprehensive income for the period	326,493	2,546,139
Attributable to:		
Equity holders of the Company	366,050	2,551,836
Non-controlling interests	(39,557)	(5,697)
	326,493	2,546,139

CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Note</i>	As at	
		30th June 2014 <i>HK\$'000</i> (Unaudited)	31st December 2013 <i>HK\$'000</i> (Audited)
ASSETS			
Non-current assets			
Land costs		1,886,996	1,928,700
Prepayments for acquisition of land		134,023	135,305
Prepayments for construction work		1,328,747	1,340,636
Properties and equipment		4,120,348	4,105,363
Investment properties		23,489,764	22,515,040
Goodwill		42,125	42,528
Investments in associates		156,900	158,257
Investments in joint ventures		7,997,513	5,599,225
Available-for-sale financial assets		2,801,889	2,665,885
Deferred tax assets		358,938	295,185
		<u>42,317,243</u>	<u>38,786,124</u>
Current assets			
Prepayments for acquisition of land		10,176,897	10,273,666
Properties under development for sale		54,314,946	55,122,056
Completed properties for sale		24,576,228	21,412,298
Financial assets at fair value through profit or loss		11,381	12,146
Held-to-maturity investments		251,969	—
Accounts receivable	12	428,833	406,179
Prepayments, deposits and other current assets		2,657,220	2,553,024
Due from associates		32,571	32,882
Due from related companies		6,377	6,440
Pledged/charged bank deposits		1,564,561	1,189,562
Cash and cash equivalents		8,287,132	5,389,295
		<u>102,308,115</u>	<u>96,397,548</u>
Total assets		<u>144,625,358</u>	<u>135,183,672</u>

	<i>Note</i>	As at	
		30th June 2014 <i>HK\$'000</i> (Unaudited)	31st December 2013 <i>HK\$'000</i> (Audited)
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		224,392	224,537
Reserves	15	<u>52,876,851</u>	<u>52,521,442</u>
		53,101,243	52,745,979
Non-controlling interests		<u>2,371,650</u>	<u>2,411,207</u>
Total equity		<u>55,472,893</u>	<u>55,157,186</u>
LIABILITIES			
Non-current liabilities			
Land cost payable		60,836	61,418
Borrowings	13	35,899,617	29,900,660
Due to non-controlling interests		568,060	573,493
Deferred tax liabilities		<u>5,787,372</u>	<u>5,718,011</u>
		42,315,885	36,253,582
Current liabilities			
Accounts payable	14	8,102,714	7,728,568
Land cost payable		520,907	533,335
Borrowings	13	12,275,049	9,472,831
Deferred revenue		15,365,509	15,544,864
Accruals and other payables		3,016,926	2,990,449
Due to an associate		6,953	7,020
Due to related companies		106,092	101,939
Due to joint ventures		3,092,958	2,368,135
Current tax liabilities		<u>4,349,472</u>	<u>5,025,763</u>
		46,836,580	43,772,904
Total liabilities		<u>89,152,465</u>	<u>80,026,486</u>
Total equity and liabilities		<u>144,625,358</u>	<u>135,183,672</u>
Net current assets		<u>55,471,535</u>	<u>52,624,644</u>
Total assets less current liabilities		<u>97,788,778</u>	<u>91,410,768</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited six months ended 30th June 2014			
	Attributable to equity holders of the Company		Non-controlling interests	Total
	Share capital	Reserves		
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at 1st January 2014	224,537	52,521,442	2,411,207	55,157,186
Total comprehensive income for the period	—	366,050	(39,557)	326,493
Transactions with owners:				
Repurchase of own shares	(145)	(10,641)	—	(10,786)
Balance at 30th June 2014	<u>224,392</u>	<u>52,876,851</u>	<u>2,371,650</u>	<u>55,472,893</u>
	Unaudited six months ended 30th June 2013			
	Attributable to equity holders of the Company		Non-controlling interests	Total
	Share capital	Reserves		
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at 1st January 2013	173,600	42,014,189	2,806,811	44,994,600
Total comprehensive income for the period	—	2,551,836	(5,697)	2,546,139
Transactions with owners:				
Capital contribution by non-controlling interests	—	—	34,217	34,217
Dividends paid to non-controlling interests of subsidiaries	—	—	(83,688)	(83,688)
	—	—	(49,471)	(49,471)
Balance at 30th June 2013	<u>173,600</u>	<u>44,566,025</u>	<u>2,751,643</u>	<u>47,491,268</u>

Notes:

(1) GENERAL INFORMATION

Hopson Development Holdings Limited (“the Company”) and its subsidiaries (together “the Group”) are mainly engaged in the development of residential properties in Mainland China. The Group is also involved in property investment, hotel operations and property management.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This unaudited interim financial information is presented in Hong Kong dollars, unless otherwise stated and has been approved for issue by the Board of Directors on 26th August 2014.

(2) BASIS OF PREPARATION

This unaudited interim financial information for the six months ended 30th June 2014 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

Management has periodically prepared cash flow projections and the Group has a number of alternative plans to offset the potential impact on the Group’s business development and current operation, should there be circumstances that the anticipated cash flow may be affected by any unexpected changes in global and/or Mainland China economic conditions. The Company’s Directors consider that the Group will be able to maintain sufficient financial resources to meet its needs. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated interim financial information.

This unaudited interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31st December 2013.

(3) ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of this unaudited interim financial information are consistent with those used in the annual financial statements for the year ended 31st December 2013, except for the adoption of new or revised accounting standards as described below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Adoption of new or revised standards, interpretations and amendments

In 2014, the Group adopted the following new or revised standards, interpretations and amendments, which are effective for accounting periods beginning on or after 1st January 2014 and relevant to the Group's operations.

HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Impairment of Assets on Recoverable Amount Disclosures
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement — Novation of Derivatives
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Consolidation for Investment Entities
HK(IFRIC)-Int 21	Levies

The Group has assessed the impact of the adoption of these new or revised standards, interpretations and amendments and considered that there was no significant impact on the Group's results and financial position.

Standards, Interpretations and Amendments to Existing Standards that are not yet Effective

New or Revised Standards, Interpretations and Amendments		Effective for accounting periods beginning on or after
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation	1st January 2016
HKAS 19 (Amendments)	Employee Benefits: Defined Benefit Plans — Employees Contributions	1st July 2014
HKFRS 7 and HKFRS 9 (Amendments)	Financial Instruments: Disclosures — Mandatory Effective Date of HKFRS 9 and Transition Disclosures	<i>Note</i>
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests In Joint Operations	1st January 2016
HKFRS 9	Financial Instruments	<i>Note</i>
HKFRS 9	Financial Instruments (Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39)	<i>Note</i>
HKFRS 14	Regulatory Deferral Accounts	1st January 2016
HKFRS 15	Revenue from Contracts with Customers	1st January 2017
Annual Improvements Project	Annual Improvements 2010–2012 Cycle	1st July 2014
Annual Improvements Project	Annual Improvements 2011–2013 Cycle	1st July 2014

Note:

The effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

The Group has already commenced an assessment of the impact of these new or revised standards, interpretations and amendments, certain of which are relevant to the Group's operation and will give rise to changes in accounting policies, disclosures or measurement of certain items in the financial statements. However, the Group is not yet in a position to ascertain their impact on its results and financial position.

(4) SEGMENT INFORMATION

Executive Directors of the Company (the “Executive Directors”) are regarded as the chief operating decision maker of the Group. The Executive Directors review the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Directors consider the business from both business and geographic perspectives. Reportable business segments identified are property development, property investment, hotel operations and property management. Geographically, the reportable business segments are further segregated into three main geographical areas, namely Southern China (SC) (including Guangzhou, Huizhou, Zhongshan and Hong Kong), Northern China (NC) (including Beijing, Tianjin, Dalian, Taiyuan and Qinhuangdao) and Eastern China (EC) (including Shanghai, Hangzhou and Ningbo).

The Executive Directors assess the performance of the operating segments based on the segment results. Corporate expenses, finance income and finance costs are not included in the results for each operating segment that is reviewed by the Executive Directors.

Segment assets consist primarily of land costs, prepayments for construction work, properties and equipment, investment properties, investments in associates, investments in joint ventures, prepayments for acquisition of land, properties under development for sale, completed properties for sale, accounts receivable, prepayments, deposits and other current assets, pledged/charged bank deposits and cash and cash equivalents. They exclude available-for-sale financial assets and held-to-maturity investments, which are managed on a central basis, and deferred tax assets.

Sales between segments are carried out on terms similar to those prevail in arm’s length transactions. The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the consolidated income statement.

Revenues comprise turnover which included gross proceeds from sales of properties, revenue from rental, hotel operations and construction services, and property management income.

	Six months ended 30th June	
	2014	2013
	HK\$’000	HK\$’000
Sales of properties	5,014,878	4,333,426
Property management income	382,918	318,091
Income from hotel operations	128,708	118,423
Rental income		
— Investment properties	143,327	100,546
— Others	76,821	62,461
Construction services		
— Decoration	22,588	34,413
	<u>5,769,240</u>	<u>4,967,360</u>

The segment results by business lines and by geographical areas for the six months ended 30th June 2014 are as follows:

	Property development			Property investment			Hotel operations			Property management	Group
	SC	EC	NC	SC	EC	NC	SC	EC	NC		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 30th June 2014											
Total revenues	2,431,078	1,103,414	2,349,750	51,750	75,027	20,446	33,335	1,141	95,228	383,695	6,544,864
Inter-segment revenues	(728,157)	—	(41,798)	(2,756)	(1,140)	—	(397)	—	(599)	(777)	(775,624)
Revenues	<u>1,702,921</u>	<u>1,103,414</u>	<u>2,307,952</u>	<u>48,994</u>	<u>73,887</u>	<u>20,446</u>	<u>32,938</u>	<u>1,141</u>	<u>94,629</u>	<u>382,918</u>	<u>5,769,240</u>
Segment results	<u>656,702</u>	<u>59,298</u>	<u>481,465</u>	<u>220,579</u>	<u>68,956</u>	<u>61,074</u>	<u>(9,305)</u>	<u>(18,271)</u>	<u>(106,836)</u>	<u>16,310</u>	<u>1,429,972</u>
Depreciation	(3,184)	(1,514)	(10,055)	(399)	(26)	(11)	(4,061)	(6)	(57,958)	(1,321)	(78,535)
Amortisation	—	—	—	—	—	—	(8,900)	(13,901)	(3,412)	—	(26,213)
Provision for impairment of accounts receivable	—	—	—	—	—	—	—	—	—	(11,388)	(11,388)
Fair value gain on investment properties	—	—	—	424,340	6,299	6,047	—	—	—	—	436,686
Share of (loss)/profit of associates	(141)	—	285	—	—	—	—	—	—	—	144
Share of profit of joint ventures	<u>4,744</u>	—	<u>30,884</u>	—	—	—	—	—	—	—	<u>35,628</u>

The segment results by business lines and by geographical areas for the six months ended 30th June 2013 are as follows:

	Property development			Property investment			Hotel operations			Property management	Group
	SC	EC	NC	SC	EC	NC	SC	EC	NC		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 30th June 2013											
Total revenues	1,824,434	850,187	2,023,345	42,353	58,380	934	19,811	—	98,657	331,093	5,249,194
Inter-segment revenues	(236,217)	—	(31,449)	—	(1,121)	—	—	—	(45)	(13,002)	(281,834)
Revenues	<u>1,588,217</u>	<u>850,187</u>	<u>1,991,896</u>	<u>42,353</u>	<u>57,259</u>	<u>934</u>	<u>19,811</u>	<u>—</u>	<u>98,612</u>	<u>318,091</u>	<u>4,967,360</u>
Segment results	<u>398,866</u>	<u>227,121</u>	<u>479,804</u>	<u>87,279</u>	<u>(46,317)</u>	<u>1,499,083</u>	<u>(8,852)</u>	<u>(15,043)</u>	<u>(114,140)</u>	<u>18,426</u>	<u>2,526,227</u>
Depreciation	(3,370)	(1,434)	(9,634)	(59)	(47)	(5)	(3,770)	(5)	(55,871)	(1,279)	(75,474)
Amortisation	—	—	—	—	—	—	(3,601)	(13,355)	(3,379)	—	(20,335)
Provision for impairment of accounts receivable	—	—	—	—	—	—	—	—	—	(8,936)	(8,936)
Fair value gain/(loss) on investment properties	—	—	—	58,252	(91,241)	109,751	—	—	—	—	76,762
Share of profit of associates	153	—	402	—	—	—	—	—	—	—	555
Share of profit/(loss) of joint ventures	<u>11,567</u>	—	<u>(597)</u>	—	—	<u>1,388,474</u>	—	—	—	—	<u>1,399,444</u>

The segment assets by business lines and by geographical areas as at 30th June 2014 are as follows:

	Property development			Property investment			Hotel operations			Property management	Group
	SC	EC	NC	SC	EC	NC	SC	EC	NC		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at and for the six months ended											
30th June 2014	<u>39,822,332</u>	<u>21,322,620</u>	<u>47,074,288</u>	<u>5,620,156</u>	<u>11,948,930</u>	<u>9,540,927</u>	<u>1,084,665</u>	<u>1,678,282</u>	<u>2,717,895</u>	<u>402,467</u>	<u>141,212,562</u>
Segment assets include:											
Investments in associates	2,524	—	154,376	—	—	—	—	—	—	—	156,900
Investments in joint ventures	<u>4,927,988</u>	<u>—</u>	<u>1,218,779</u>	<u>—</u>	<u>—</u>	<u>1,850,746</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,997,513</u>
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>2,428,976</u>	<u>592</u>	<u>4,790</u>	<u>7,213</u>	<u>401,377</u>	<u>121,872</u>	<u>10,414</u>	<u>94,510</u>	<u>23,428</u>	<u>1,270</u>	<u>3,094,442</u>

The segment assets by business lines and by geographical areas as at 31st December 2013 are as follows:

	Property development			Property investment			Hotel operations			Property management	Group
	SC	EC	NC	SC	EC	NC	SC	EC	NC		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at and for the year ended											
31st December 2013	<u>36,058,629</u>	<u>21,169,892</u>	<u>43,162,649</u>	<u>4,957,644</u>	<u>11,489,545</u>	<u>9,496,942</u>	<u>1,095,238</u>	<u>1,607,240</u>	<u>2,782,721</u>	<u>402,102</u>	<u>132,222,602</u>
Segment assets include:											
Investments in associates	2,690	—	155,567	—	—	—	—	—	—	—	158,257
Investments in joint ventures	<u>2,531,374</u>	<u>—</u>	<u>1,246,648</u>	<u>—</u>	<u>—</u>	<u>1,821,203</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,599,225</u>
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>5,504</u>	<u>1,510</u>	<u>8,920</u>	<u>249,477</u>	<u>1,037,599</u>	<u>4,165,920</u>	<u>42,104</u>	<u>375,485</u>	<u>185,615</u>	<u>2,340</u>	<u>6,074,474</u>

Reconciliation of reportable segment profit from operations to profit before taxation is as follows:

	Six months ended 30th June	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Reportable segment profit from operations	1,429,972	2,526,227
Unallocated corporate (expenses)/income (including exchange (loss)/gain), net	(82,345)	67,480
Dividend income from available-for-sale financial assets (unlisted securities)	171,103	137,326
Finance income	9,279	18,014
Finance costs	—	(13,784)
	<u> </u>	<u> </u>
Profit before taxation	<u>1,528,009</u>	<u>2,735,263</u>

Reconciliation of reportable segment assets to total assets is as follows:

	As at	
	30th June	31st December
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Total segment assets	141,212,562	132,222,602
Held-to-maturity investments	251,969	—
Available-for-sale financial assets	2,801,889	2,665,885
Deferred tax assets	358,938	295,185
	<u> </u>	<u> </u>
Total assets	<u>144,625,358</u>	<u>135,183,672</u>

The Group primarily operates in Mainland China. All revenues for the six months ended 30th June 2014 and 2013 are from Mainland China.

As at 30th June 2014 and 31st December 2013, all non-current assets are located in Mainland China.

(5) OTHER INCOME/GAINS, NET

	Six months ended 30th June	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividend income from		
— available-for-sale financial assets (unlisted securities)	171,103	137,326
— financial assets at fair value through profit or loss (listed securities)	206	230
Government grants	696	5,276
Fair value loss on financial assets at fair value through profit or loss	(765)	(1,342)
Net exchange (loss)/gain	(66,618)	65,532
	<u>104,622</u>	<u>207,022</u>

(6) EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses and general and administrative expenses are analysed as follows:

	Six months ended 30th June	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Advertising and promotion costs	178,499	112,743
Amortisation of land costs	26,213	20,335
Cost of completed properties sold	3,410,190	2,699,155
Depreciation of properties and equipment	78,535	75,474
Direct operating expenses arising from investment properties that		
— generated rental income	31,814	24,759
— did not generate rental income	27,201	10,629
Employees' benefits costs (including Directors' emoluments)	418,865	379,463
Loss on disposal of properties and equipment	97	68
Operating lease rental in respect of premises	19,477	19,644
Provision for impairment of accounts receivable	11,388	8,936
	<u>11,388</u>	<u>8,936</u>

(7) FINANCE INCOME AND COSTS

	Six months ended 30th June	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expense and other borrowing costs:		
— loans from banks and financial institutions wholly repayable within five years	1,483,781	1,301,031
— loans from banks and financial institutions not wholly repayable within five years	19,996	8,063
— senior notes wholly repayable within five years	262,189	247,674
	<hr/>	<hr/>
Total borrowing costs incurred	1,765,966	1,556,768
Less: Amount capitalised as part of the cost of properties under development	(1,765,966)	(1,542,984)
	<hr/>	<hr/>
	—	13,784
Interest income from banks	(9,279)	(18,014)
	<hr/>	<hr/>
Net finance income	(9,279)	(4,230)
	<hr/>	<hr/>

The weighted average interest rate of borrowing costs capitalised for the six months ended 30th June 2014 was approximately 7.9% (2013: 8.9%) per annum.

(8) SHARE OF PROFIT OF JOINT VENTURES

For the six months ended 30th June 2014, the amount included the share of fair value gain, net of tax, on the investment properties of a joint venture located in Beijing, amounting to approximately HK\$5,064,000 (2013: HK\$1,388,000,000).

(9) TAXATION

	Six months ended 30th June	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Mainland China corporate income tax	349,500	292,349
Mainland China land appreciation tax	332,128	401,254
	<u>681,628</u>	<u>693,603</u>
Deferred tax		
Mainland China corporate income tax	34,900	(13,689)
Mainland China land appreciation tax	(12,851)	(13,485)
	<u>22,049</u>	<u>(27,174)</u>
	<u>703,677</u>	<u>666,429</u>

No Hong Kong profits tax was provided for the six months ended 30th June 2014 and 30th June 2013 as the Group did not have any assessable profit which is subject to Hong Kong profits tax.

Subsidiaries established and operated in Mainland China are subject to Mainland China corporate income tax at the rate of 25% for the six months ended 30th June 2014 (2013: 25%).

Mainland China land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

(10) EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30th June	
	2014	2013
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company (HK\$'000)	<u>841,128</u>	<u>2,123,979</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,244,340</u>	<u>1,736,003</u>
Basic earnings per share (HK\$ per share)	<u>0.375</u>	<u>1.223</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Since there was no dilutive potential ordinary shares during the six months ended 30th June 2014 and 30th June 2013, diluted earnings per share is equal to basic earnings per share.

(11) DIVIDEND

The Board of Directors did not recommend the payment of any interim dividend in respect of the six months ended 30th June 2014 and 30th June 2013.

(12) ACCOUNTS RECEIVABLE

Consideration in respect of properties sold is generally payable by the buyers at the time of completion of the sale and purchase agreements. Rentals in respect of leased properties and property management fees are generally payable in advance on a monthly basis. No credit terms were granted to the customers.

The ageing analysis of accounts receivable is as follows:

	As at	
	30th June	31st December
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
0 to 3 months	135,492	180,470
3 to 6 months	43,516	36,209
6 to 9 months	80,937	57,798
9 to 12 months	18,318	29,081
Over 12 months	150,570	102,621
	428,833	406,179

The carrying value of accounts receivable approximates their fair values. The accounts receivable is related to a number of independent customers, and are denominated in Renminbi.

(13) BORROWINGS

	As at	
	30th June 2014 <i>HK\$'000</i> (Unaudited)	31st December 2013 <i>HK\$'000</i> (Audited)
Non-current		
Bank and financial institution borrowings	31,305,055	25,314,409
Senior notes	4,594,562	4,586,251
	35,899,617	29,900,660
Current		
Bank and financial institution borrowings	12,275,049	9,472,831
	48,174,666	39,373,491

Notes:

- (a) In January 2011, the Company issued 11.75% senior notes with an aggregate nominal value of US\$300,000,000 (equivalent to approximately HK\$2,340,000,000) for a total consideration of approximately HK\$2,340,000,000. The senior notes mature in five years (January 2016) and are repayable at their nominal value of US\$300,000,000. The Company is entitled at its option to redeem all or a portion of the senior notes at the redemption prices specified in the offering circular, plus accrued and unpaid interests to the redemption date, subject to the terms and conditions specified in the offering circular.
- (b) In January 2013, the Company issued 9.875% senior notes with an aggregate nominal value of US\$300,000,000 (equivalent to approximately HK\$2,327,000,000) for a total consideration of approximately HK\$2,327,000,000. The senior notes mature in five years (January 2018) and are repayable at their nominal value of US\$300,000,000. The Company is entitled at its option to redeem all or a portion of the senior notes at the redemption prices specified in the offering circular, plus accrued and unpaid interests to the redemption date, subject to the terms and conditions specified in the offering circular.

(14) ACCOUNTS PAYABLE

Ageing analysis of accounts payable (including amounts due to related companies of trading in nature) is as follows:

	As at	
	30th June 2014 HK\$'000 (Unaudited)	31st December 2013 HK\$'000 (Audited)
0 to 3 months	1,452,168	2,392,577
3 to 6 months	1,028,275	2,112,093
6 to 9 months	1,867,016	367,539
9 to 12 months	1,158,728	239,375
Over 12 months	2,596,527	2,616,984
	<u>8,102,714</u>	<u>7,728,568</u>

As at 30th June 2014, approximately HK\$668,427,000 (31st December 2013: HK\$726,954,000) of accounts payable were due to certain related companies in respect of property construction.

Accounts payable are denominated in Renminbi. The carrying value of accounts payable approximates their fair values.

(15) RESERVES

For the six months ended 30th June 2014

	Share premium HK\$'000	Statutory reserve HK\$'000	Assets revaluation reserve HK\$'000	Currency translation differences HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1st January 2014	15,941,244	161,117	1,072,634	6,904,380	28,442,067	52,521,442
Profit for the period	—	—	—	—	841,128	841,128
Currency translation differences	—	—	—	(590,081)	—	(590,081)
Repurchase of own shares	(10,146)	—	—	—	(495)	(10,641)
Fair value gain on available-for-sale financial assets	—	—	162,027	—	—	162,027
Realised upon disposal of properties held for sale	—	—	(11,813)	—	—	(11,813)
Deferred tax	—	—	(35,211)	—	—	(35,211)
	<u>15,931,098</u>	<u>161,117</u>	<u>1,187,637</u>	<u>6,314,299</u>	<u>29,282,700</u>	<u>52,876,851</u>

For the six months ended 30th June 2013

	Share premium <i>HK\$'000</i>	Statutory reserve <i>HK\$'000</i>	Assets revaluation reserve <i>HK\$'000</i>	Currency translation differences <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at 1st January 2013	10,696,915	161,117	1,153,863	5,375,390	24,626,904	42,014,189
Profit for the period	—	—	—	—	2,123,979	2,123,979
Currency translation differences	—	—	—	820,674	—	820,674
Fair value loss on available-for-sale financial assets	—	—	(522,583)	—	—	(522,583)
Realised upon disposal of properties held for sale	—	—	(1,681)	—	—	(1,681)
Deferred tax	—	—	131,447	—	—	131,447
	<u>10,696,915</u>	<u>161,117</u>	<u>761,046</u>	<u>6,196,064</u>	<u>26,750,883</u>	<u>44,566,025</u>
Balance at 30th June 2013	<u>10,696,915</u>	<u>161,117</u>	<u>761,046</u>	<u>6,196,064</u>	<u>26,750,883</u>	<u>44,566,025</u>

DIVIDEND

The Board of Directors did not recommend the payment of any interim dividend in respect of the six months ended 30th June 2014 and 30th June 2013.

FINANCIAL REVIEW

Turnover

(i) *Recognised Sales*

For the first six months of 2014, the Group completed a turnover of HK\$5,769 million, up 16% comparing to HK\$4,967 million of 2013, with a total GFA of 274,899 square metres (2013: 261,861 square metres). The major projects delivered include Hopson World Garden in Beijing (合生世界花園), The Town of Hangzhou Bay (合生杭州灣國際新城) in Shanghai and Hopson Regal Bay (合生帝景灣) in Huizhou.

The overall average selling price in respect of delivered and completed properties increased by 8% to RMB14,346 per square metre (2013: RMB13,234 per square metre). Summarily viewed, it was mainly affected by the delivered projects and the change in product structure.

In Beijing, affected by the product structure, the overall average selling price for the first half of 2014 decreased to RMB17,967 per square metre (2013: RMB19,101 per square metre). During the first half of the year, nearly 80% of the recognised sales in Beijing came from Hopson World Garden (合生世界花園) and Hopson Dreams World (合生世界村), which are regular demand projects.

In Shanghai, the overall average selling price for the first half of 2014 decreased to RMB12,055 per square metre (2013: RMB13,571 per square metre) due to a higher number of units delivered by The Town of Hangzhou Bay (合生杭州灣國際新城) and Hopson Seaview No.1 (合生海景一號), which are relatively lower-priced projects.

In Guangzhou, the overall average selling price for the first half of 2014 decreased to RMB9,721 per square metre (2013: RMB11,324 per square metre) due to a higher number of residential units and parking spaces delivered by Hopson Belvedere Bay (合生君景灣). Hopson Belvedere Bay (合生君景灣) is a relatively lower-priced project.

In Huizhou, the overall average selling price for the first half of 2014 increased to RMB14,306 per square metre (2013: RMB7,593 per square metre) due to increase in both selling price and number of units delivered by Hopson Regal Bay (合生帝景灣), which is a relatively high-end project.

(ii) Contracted Sales

The Group recorded a total of RMB1,815 million contracted sales (2013: RMB5,564 million). As affected by the structure of products sold (increased in the proportion of sales in second-tier and parking spaces), the average contracted selling price decreased by 23% to RMB13,826 per square metre (2013: RMB17,928 per square metre).

The combined contracted sales of Beijing and Tianjin were RMB648 million, representing 35% of the total contracted sales of the Group in the first half of 2014. Nine projects were on sale in Beijing and Tianjin, of which Hopson World Garden (合生世界花園) and Hopson No. 8 Royal Park (合生霄雲路8號) were the major sales contributors.

There were eight property projects on sale in Shanghai, mainly comprising Hopson International Garden (合生國際花園) and Hopson Yuting Garden (合生御廷園). Contracted sales of Shanghai amounted to RMB266 million, representing 15% of the total contracted sales of the Group.

Fourteen property projects were on sale in Guangzhou and Huizhou and the contracted sales were RMB901 million in the first half of 2014, representing 50% of the total contracted sales of the Group. The major projects were Hopson Regal Riviera (合生珠江帝景), Hopson Pleasant View Garden (合生逸景翠園), Hopson Belvedere Bay (合生君景灣) and Hopson International New City (合生國際新城).

Gross Profit

Gross profit for the first half of 2014 amounted to HK\$1,818 million (2013: HK\$1,845 million) with a gross profit margin of 32% (2013: 37%). The decrease in gross profit margin was mainly attributable to the product structure with a higher ratio of regular demand projects delivered with relatively lower profit margin during the period.

Other Income/Gains, Net

Other income/gains for the six months ended 30th June 2014 amounted to HK\$104.6 million (2013: HK\$207.0 million) comprising (1) dividend income of HK\$171.3 million from investment in listed and unlisted securities; (2) grants totalling HK\$0.7 million from government authorities in Mainland China; (3) fair value loss of HK\$0.8 million from listed securities; and (4) net exchange loss of HK\$66.6 million.

Operating Costs

The operating costs relating to expenses for selling, marketing, general and administration increased by 10% to HK\$876 million in the first half of 2014 (2013: HK\$797 million). The increase was primarily attributable to (1) the Group's greater marketing efforts in response to changes in the market and greater outlay on selling and promotional activities; and (2) the increase in number of new employees.

Finance Costs

Gross interest expenses before capitalisation for the first half of 2014 increased to HK\$1,766 million (2013: HK\$1,557 million), up HK\$209 million or 13%. The increase was primarily attributable to the increase in average amount of bank and financial institution borrowings in 2014. The effective interest rate in respect of the Group's borrowings was approximately 7.9% per annum (2013: 8.9%).

Share of Profit of Joint Ventures

Share of profit of joint ventures represented the Group's share of profit of HK\$36 million from three joint ventures located in Beijing and Guangzhou.

Taxation

The effective tax rate was 46% for the first half of 2014, up 22% as compared with that of the same period last year. The increase was mainly attributable to the decrease in share of profit of joint ventures in the current period.

Profit Attributable to Equity Holders of the Company

Profit attributable to equity holders was HK\$841 million for the first half of 2014 (2013: HK\$2,124 million). Basic earnings per share was HK\$0.375. Excluding the effect of the net of tax gain from investment property revaluation of HK\$327 million and the net of tax gain from investment property revaluation of a joint venture of HK\$5 million, underlying profit for the period under review was HK\$509 million, representing a decrease of HK\$169 million, or 25%, as compared with that of the corresponding period in the prior year. The overall decrease of the underlying profit for the period was mainly attributable to the decrease in gross profit.

Segmental Information

Property development continued to be the Group's core business activity (87%). In 2014, the Group continued to develop its business in the three core economic regions, namely the Pearl River Delta, Yangtze River Delta and Huanbohai Area. Northern China (including Beijing, Tianjin, Dalian, Taiyuan and Qinhuangdao) contributed 45% to the revenues of the Group, followed by Southern China (including Guangzhou, Huizhou and Zhongshan) (34%), and Eastern China (including Shanghai, Hangzhou and Ningbo) (21%).

Financial Position

As at 30th June 2014, total assets of the Group amounted to HK\$144,625 million and its total liabilities came to HK\$89,152 million, representing an increase of 7% and 11% respectively as compared to those at 31st December 2013. The increase in total assets was attributable to the combined effect of (1) the increase in investment in joint ventures; (2) the increase in cash and cash equivalent; and (3) the increase in investment properties. Aligned with this, total liabilities also increased, primarily attributable to the effect of the additional borrowings obtained.

The Group's current ratio as at 30th June 2014 was 2.18 (31st December 2013: 2.20). Equity at 30th June 2014 was HK\$55,473 million, which was similar to that as at 31st December 2013, primarily due to the combined effect of (1) the increase in profit attributable to equity holders during the period and (2) the decrease in currency translation differences reserve. The net-asset-value ("NAV") per share as at 30th June 2014 was HK\$24.72.

Liquidity and Financial Position

As at 30th June 2014, the Group's liability-to-asset ratio (i.e. the ratio between total liabilities and total assets, excluding non-controlling interests) was 62% (31st December 2013: 59%). The net-debt-to-equity ratio (i.e. total debt less cash and bank deposits over shareholders' equity) was 69% (31st December 2013: 59%).

As at 30th June 2014, the Group had cash and short-term bank deposits amounting to HK\$9,852 million (31st December 2013: HK\$6,579 million) of which approximately HK\$5 million (31st December 2013: HK\$5 million) was charged by certain banks in respect of the processing of mortgage facilities granted by the banks to the buyers of the Group's properties. 93.60% of the cash and bank deposits were denominated in Renminbi, 0.27% in Hong Kong dollars and 6.13% in United States dollars.

Total borrowings from banks and financial institutions amounted to HK\$43,580 million as at 30th June 2014 representing an increase of 25% or HK\$8,793 million as compared to those at 31st December 2013. Gearing ratio, measured by net bank and financial institution borrowings and Guaranteed Senior Notes (i.e. total bank and financial institution borrowings and Guaranteed Senior Notes less cash and bank deposits) as a percentage of shareholders' equity, was 69%, representing an increase of 10 percentage points from 59% as at 31st December 2013.

All of the bank and financial institution borrowings were either secured or covered by guarantees and were substantially denominated in Renminbi with fixed interest rates whereas the United States Dollar denominated Senior Notes due 2016 and Senior Notes due 2018 were jointly and severally guaranteed by certain subsidiaries with fixed interest rates, representing approximately 85% and 9% respectively of the Group's total borrowings.

All of the other borrowings were unsecured, interest-free and substantially denominated in Renminbi.

The Group's borrowings repayment profile as at 30th June 2014 was as follows:

<i>(HK\$ million)</i>	As at 30th June 2014				As at 31st December 2013					
	Bank and financial institution borrowings	Guaranteed senior notes	Other borrowings	Total	Bank and financial institution borrowings	Guaranteed senior notes	Other borrowings	Total		
1 year	12,275	—	3,206	15,481	(30%)	9,473	—	2,477	11,950	(29%)
1–2 years	12,291	2,307	—	14,598	(28%)	9,840	—	—	9,840	(24%)
2–5 years	16,004	2,288	—	18,292	(36%)	15,068	4,586	—	19,654	(46%)
After 5 years	3,010	—	—	3,010	(6%)	406	—	—	406	(1%)
Total	43,580	4,595	3,206	51,381		34,787	4,586	2,477	41,850	
Less: Cash and bank deposits				(9,852)					(6,579)	
Net borrowings				<u>41,529</u>					<u>35,271</u>	

As at 30th June 2014, the Group had banking facilities of approximately HK\$64,797 million (31st December 2013: HK\$70,791 million) for short-term and long-term bank loans, of which HK\$21,217 million (31st December 2013: HK\$36,004 million) were unutilised.

Charge on Assets

As at 30th June 2014, certain assets of the Group with an aggregate carrying value of HK\$35,494 million (31st December 2013: HK\$33,286 million) were pledged with banks and financial institutions for loan facilities used by subsidiaries.

Financial Guarantees

As at 30th June 2014, the Group provided guarantees to banks for mortgage facilities granted to buyers of the Group's properties which amounted to HK\$10,443 million (31st December 2013: HK\$10,077 million).

Treasury Policies and Capital Structure

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

FOREIGN EXCHANGE FLUCTUATIONS

The Group earns revenue and incurs costs and expenses mainly in Renminbi and is exposed to foreign exchange fluctuation arising from the exposure of Renminbi against Hong Kong dollar and US dollar. However, the Directors do not anticipate any significant foreign exchange loss as a result of changes in exchange rate between Hong Kong dollar, US dollar and Renminbi in the foreseeable future.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the period.

EMPLOYEES

As at 30th June 2014, the Group, excluding its associates and joint ventures, employed a total of 9,973 (as at 31st December 2013: 9,422) staff, the majority of which were employed in Mainland China. Employees' costs (including Directors' emoluments) amounted to HK\$419 million for the six months ended 30th June 2014 (2013: HK\$379 million). The remuneration policies remained the same as disclosed in the Annual Report for the year ended 31st December 2013.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the six months ended 30th June 2014.

CORPORATE GOVERNANCE

During the six months ended 30th June 2014, the Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") contained in Appendix 14 of the Listing Rules except for the code provisions A.4.1 and E.1.2 as described below.

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

None of the independent non-executive Directors is appointed for specific term. This constitutes a deviation from code provision A.4.1. However, as all the independent non-executive Directors are subject to retirement by rotation at the annual general meetings of the Company in accordance with the Company's Bye-laws, in the opinion of the Directors, this meets the objective of the CG Code.

Code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. The Chairman of the Board of Directors did not attend the annual general meeting for the year 2014 due to other business commitment.

PURCHASE, REDEMPTION AND SALE OF THE COMPANY'S LISTED SECURITIES

During the period ended 30th June 2014, the Company repurchased a total of 1,450,000 shares of HK\$0.10 each in the capital of the Company on the Stock Exchange, details of which are as follows:

Month of repurchase	Number of shares repurchased	Highest price paid per share (HK\$)	Lowest price paid per share (HK\$)	Aggregate consideration (excluding expenses) (HK\$)
February 2014	<u>1,450,000</u>	<u>7.82</u>	<u>7.09</u>	<u>10,752,280</u>

The issued share capital of the Company was reduced by the nominal value of the repurchased shares which had been cancelled. The premium paid for the repurchase of the shares and related expenses totaling approximately HK\$10,641,000 were charged to the reserves.

The repurchases of shares were effected by the Directors pursuant to the general mandate approved by the shareholders at the annual general meeting of the Company held on 14th June 2013, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended 30th June 2014.

AUDIT COMMITTEE AND REVIEW OF RESULTS

The Company's audit committee comprises all the three independent non-executive Directors. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the internal controls and financial reporting matters including a review of the unaudited interim financial information for the six months ended 30th June 2014.

INTERIM REPORT

The 2014 interim report containing all the information required by the Listing Rules will be published on the Stock Exchange's website and the Company's website <http://www.irasia.com/listco/hk/hopson>.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirm that the Company has maintained during the period under review the amount of public float as required under the Listing Rules.

DIRECTORS

As at the date of this announcement, the Board is composed of six executive Directors, namely Mr. Chu Mang Yee (Chairman), Ms. Chu Kut Yung (Deputy Chairman), Mr. Au Wai Kin, Mr. Liao Ruo Qing, Mr. Zheng Shao Hui and Mr. Xie Bao Xin; and three independent non-executive Directors, namely Mr. Lee Tsung Hei, David, Mr. Wong Shing Kay, Oliver and Mr. Tan Leng Cheng, Aaron.

By order of the Board
Hopson Development Holdings Limited
Chu Mang Yee
Chairman

Hong Kong, 26th August 2014