

[For Immediate Release]



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

Hopson Announces 2014 Interim Results
Enrich product portfolio and set benchmark of high-quality products
Prudent operation to achieve stable development

Financial Highlights

For the 6 months ended 30 June	2014 HK\$ million (Unaudited)	2013 HK\$ million (Unaudited)	Change
Revenue	5,769	4,967	+16%
Profit attributable to shareholders	841	2,124	-60%
Underlying profit*	509	678	-25%
Basic earnings per share	HK\$0.375	HK\$1.223	-69%

*Excluding the effect of the net of tax gain from investment property revaluation and the net of tax gain from investment property revaluation of a joint venture

(26 August 2014 – 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 2014.

In the first half of 2014, the macro-economy of China was steady and had downside pressure. The real estate industry has a moderate adjustment. Under the principle of its prudent general approach, the Group cautiously adjusted operating strategies, responded to market changes proactively and seized the opportunity arises from the structural adjustment of the real estate industry, as a result the Group maintained a stable operating situation. During the period under review, the Group’s revenue was HK\$5,769 million, representing a year-on-year increase of 16%. Profit attributable to shareholders was HK\$841 million. Basic earnings per share amounted to HK\$0.375. Excluding the effect of the net of tax gain from investment property revaluation and the net of tax gain from investment property revaluation of a jointly controlled entity, underlying profit was HK\$509 million. The Board of Directors did not recommend the payment of any interim dividend for the six months ended 30 June 2014 (Six months ended 30 June 2013: nil).

In light of the more balanced supply and demand in the market and the stable domestic and global economic environment, the Group maintains the development in core first-tier cities. Leveraging on the strong foundation of high-end residential real estate development, the Group establishes its core competitive advantages with high value-added products and good quality services, as well as optimizing the product mix continuously and promoting the innovation of products. During the reporting period, GFA delivered was 275 thousand square meters in total. The average selling price for delivered properties was HK\$18,160 per square meter. The Group’s strategy to optimize income structure and make the various sources of income balanced had been proven to be successful. Income from property development was HK\$5,114 million, income from property management was HK\$383 million, income from property investment and income from hotel operation were HK\$143 million and HK\$129 million respectively.

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The Group mainly focuses on the economically developed zones in the Pearl River Delta, Yangtze River Delta and Huanbohai Economic Zone, with Guangzhou, Shanghai and Beijing as the cores and actively expands towards the neighboring prosperous cities. For the six months ended 30 June 2014, the Group achieved contracted sales of approximately HK\$2,298 million and gross floor area sold of approximately 131,276 square meters. The average contracted selling price was HK\$17,502. Amid the extremely severe market condition, the Group has maintained the profit margin of urban core high-end products and products targeting upgrading demands, and strive to maintained the sales momentum by launching high-quality regular demand products. With Beijing, Shanghai and Guangzhou as the hubs, the Group has established an integrated business turf encompassing the three core economic zones in Huanbohai, Yangtze River Delta and Pearl River Delta. We are gradually transforming into a comprehensive real estate developer from a developer solely focuses on prime residential sector.

During the first half of 2014, the commercial property business of the Group was in good shape. Office premises for investment and leasing purposes, including Hopson Zhujiang International Tower, Hopson Fortune Plaza, Hangzhou Hopson World Trade Centre and the integrated commercial premises in Kylin Xintiandi Community were almost fully leased; the recently launched Beijing Hopson Desheng Building has attracted potential buyers from a number of large-scale enterprises and financial institutions.

Commenting on the interim results for the first half of 2014, Ms Chu Kut Yung, Executive Director & Deputy Chairman said, "The Group has set the benchmark of high-quality products in first-tier cities. Through accelerating the establishment of middle-end products, the Group will speed up cash inflow while ensuring a higher profit. We continuously promote the development of investment properties in a stable manner by focusing on large-scale integrated commercial projects including shopping malls, office buildings and hotels, in core areas of first-tier markets. Our investment properties provide continuous and stable rental income for the Company and generated high profit from property appreciation."

As for land bank, the Group will pay close attention to the changes in land market. We will conduct scientific analysis and prudently seize suitable land resources, so as to continuously optimize our land bank. As at 30 June 2014, the Group had a land bank of 32.98 million square meters and is one of the first-tier sizable developers in the industry. Our sizeable land bank provides strong support for the stable long-term development of our properties for sale and investment properties. The Group's land bank mainly comprises high-quality and scarce resources in first-tier cities. As high-quality land resource in core cities suitable for development diminishes, high-quality land bank has become one of the core competitiveness for the Group's future growth.

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 and Huizhou, including brand new projects such as Hopson International City in Taiyuan, Shanxi and Hopson Guangfuhui in Songjiang, Shanghai. The new projects to be launched will be large-scale complex projects either locating in the core prime locations of the cities or in second-tier cities with well-developed and comprehensive amenities. With reference to market researches, the Group will mainly launch high-quality products targeting regular demands. The Group expects that through leveraging on the strong brand recognition and implementing effective marketing strategies, such projects will generate satisfactory sales for the Group continuously.

Looking ahead, Mr. Chu Mang Yee, Chairman of the Group concluded, "The Group 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 set up professional management teams of residential properties, commercial properties and industrial properties and actively introduce advanced management experience. We are confident that this will effectively shorten the decision-making flow, accelerate our response to market changes and help us to develop deluxe products. The Group will unceasingly improve our operation database and standardize the production and operation of projects as well as ancillary services, so as to improve quality of product and standard of property services. Furthermore, the Group will also continue to adjust its investment structure and continuously increase investment in investment properties in a stable manner in order to enhance the Group's overall income level."

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