



合生創展集團有限公司

HOPSON DEVELOPMENT HOLDINGS LIMITED

Hopson Announces 2015 Interim Results
Revenue Increased by 30% to HK\$7,507 million
Anchored in Residential Real Estate
Prudently Develop Commercial and Industrial Real Estate

Financial Highlights

For the six months ended 30 June	2015 HK\$ million (Unaudited)	2014 HK\$ million (Unaudited)	Change
Revenue	7,507	5,769	+30%
Profit attributable to shareholders	1,117	841	+33%
Underlying profit*	765	509	+50%
Basic earnings per share	HK\$0.498	HK\$0.375	+33%

* Excluding the effect of the net of tax gain from investment property revaluation, the net of tax gain from investment property revaluation of a joint venture, cost on early redemption of senior notes and an excess from fair value of net assets of a subsidiary acquired over acquisition cost

(25 August 2015 — 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 2015.

In the first half of 2015, economy in the PRC slowed down and was under a downward pressure. The real estate market has stocked up on a relatively high level of inventory and the market supply and demand were intentionally slowed down. The Group continued to uphold its strategic approach of solid operation, establish a good balance among its various businesses and set sales targets of achieving stable growth in line with market demand, step up the efforts in the existing markets while pursuing full-range expansion in geographical coverage to diversify operational risks, in order to sustain a sound operation position constantly. During the period under review, the Group’s revenue was HK\$7,507 million, representing an increase of 30% compared to the first half of 2014. Profit attributable to shareholders increased by 33% to HK\$1,117 million. Excluding the effect of the net of tax gain from investment property revaluation of HK\$430 million, the net of tax gain from investment property revaluation of a joint venture of HK\$1 million, cost on early redemption of senior notes of HK\$82 million and an excess of HK\$3 million from fair value of net assets of a subsidiary acquired over acquisition cost, underlying profit for the period under review was HK\$765 million, representing a year-on-year increase of 50%. The Board of Directors did not recommend the payment of any interim dividend for the six months ended 30 June 2015 (1H2014: nil).

Commenting on the interim results for 2015, Ms Chu Kut Yung, Executive Director and Deputy Chairman of Hopson said, “After the market adjustments in 2014, the real estate industry is facing significant pressure from high inventory and a general lack of confidence in commencing new construction and investment, while some cities are facing mounting systematic risk due to the adjustments of the real estate market. In the first half of 2015, although China’s real estate market has gradually recovered, as reflected by the significant increase in transactions since the second quarter, the bygone situation where both volume and price increase is hard to be found again in the market. In response, the Group made prudent assessment to ride on this wave of change with a focus on optimizing product structure, enhanced the quality and additional value of products. At the same time, the

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Group actively adopted the development strategy of diversification, ensured the solid development of real estate and robustly promote the development, increased the revenue contribution of holding properties and steadily promoted the corporate's strategic transformation, thus maintaining good operating results.”

During the reporting period, GFA delivered was 340 thousand square meters in total. The average selling price for delivered properties was HK\$19,475 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\$6,781 million, income from property management was HK\$396 million, income from property investment and income from hotel operation were HK\$218 million and HK\$112 million respectively.

The Group mainly focuses on the deployment in economically developed zones in the Pearl River Delta, Yangtze River Delta and Huanbohai Economic Zone. While stepping up its development efforts in first-tier cities, namely Guangzhou, Shanghai and Beijing, the Group also actively extends its business towards the surrounding prosperous cities. As at 30 June 2015, the Group achieved contracted sales of approximately HK\$6,976 million in the first half of the year, representing a year-on-year increase of 203%. Contracted sales area of approximately 450,000 square meters, representing a year-on-year increase of 247%. The Group has been committed to optimizing the product structure and ancillary facilities of residential property business while on the other hand, actively engaging in the development of commercial and industrial real estate in a prudent manner in order to gradually develop a versatile development strategy of the Group which encompasses residential, commercial and industrial property businesses.

During the first half of 2015, 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 newly-launched Beijing Hopson Desheng Building has also attracted a number of large-scale corporates and financial institutions as tenants. The Group's projects which are under construction and pre-leasing, namely Hopson International Plaza (Wujiaochang, Shanghai), Phase Two of Guangzhou Hopson Plaza and Makeyan Project, have attracted keen interest from business circles and tenants due to their outstanding design, positioning, business planning and quality. The Group has entered into agreements with domestic and overseas renowned businesses.

As for land bank, the Group insists in investing in land resources with promising prospects in the first-tier cities in Yangtze River Delta, Pearl River Delta, and Huanbohai areas to balance its land bank structure. As at 30 June 2015, the Group had land bank of 32.47 million square metres.

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In the second half of the year, the Group will introduce a series of new projects and phases mainly in economically well-developed regions, including Guangzhou, Beijing, Tianjin, Huizhou, Shanghai and Kunshan. Projects and phases to be launched by the Group in the second half of the year will either be at local prime locations or near the countryside, endowing with rich natural scenic beauty, or in second-tier cities with comprehensive ancillary facilities. Carrying on the Group's high-quality standard and with clearly defined target markets, our newly-developed projects have already got the concern and attention of the customers. The Group expects that through continuously building up positive brand influence and implementing effective marketing strategies, the Group will achieve remarkable sales results.

Looking ahead, Mr. Chu Mang Yee, Chairman of the Group concluded, "Despite the fact China's real estate market has gradually recovered, the foundation of rebound of the macro-economy is still not solid and therefore more lenient policies on property market are expected to be adopted in the second half of the year. Hopson, which has long been national policy-oriented, will rationally analyze and study the development trend of the real estate industry, proactively adjust the operating strategies and seize the opportunities brought by the structural adjustment of the industry under the "New Norm" to enhance the Group's core competitiveness continuously. With the maximization of shareholders' value as the ultimate goal, the Group will keep up an optimistic yet prudent attitude and fully utilize the advantages of our sound financial and operation strategy and diversified financing channels. Banking on our core assets, the Group will continue to improve its monitoring system, contrive new investment structure, establish brand equity, promote the transformation of corporate strategy and create the highest value for the society."

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For further information, please contact:

iPR Ogilvy and Mather

Callis Lau/ Karen Tse/ Molisa Lau/ Kiki Zhang/ Natalie Tang

Tel: 2136 6952/ 2136 6950/ 2136 6953/ 3920 7639/ 3920 7640

Fax: 3170 6606

E-mail: hopson@iprogilvy.com