[For Immediate Release]

合 生 創 展 集 團 有 限 公 司

HOPSON DEVELOPMENT HOLDINGS LIMITED

Hopson Announces 2016 Interim Results
Promoted Product Diversification　Balanced Business Development
Improved Risk-resistance Capability

Financial Highlights

For the six months ended 30 June	**2016 HK$ million (Unaudited)**	2015 HK$ million (Unaudited)	Change
Turnover	**7,350**	7,507	-2.1%
Profit attributable to shareholders	**1,693**	1,117	+51.6%
Underlying profit*	**618**	765	-19.2%
Basic earnings per share	**HK$0.759**	HK$0.498	+52.4%

** Profit attributable to shareholders was HK$1,693 million for the first half of 2016. Excluding the effect of the net of tax gain from investment property revaluation of HK$1,192 million, the net of tax gain from the investment property revaluation of two joint ventures of HK$24 million, adding the impairment of goodwill of HK$6 million and the costs on early redemption of senior notes of HK$135 million, Underlying Profit for the period under review was HK$618 million*

(30 August 2016 — Hong Kong) – Hopson Development Holdings Limited ("Hopson" or the "Company", together with its subsidiaries, the "Group"; Stock code: 00754) announced today its unaudited interim results for the six months ended 30 June 2016.

In the first half of 2016, although China's real estate market has gradually recovered, the domestic and overseas environment remains complex and challenging. The Group has made prudent assessment and seized the opportunities offered by the in depth structural adjustment of the real estate market. For the six months ended 30 June 2016, the Group recorded a turnover of HK$7,350 million, slightly down 2.1% comparing to the corresponding period of 2015. Profit attributable to shareholders increased by 51.6% to HK$1,693 million. Basic earnings per share amounted to HK$0.759. Excluding the effect of the net of tax gain from investment property revaluation of HK$1,192 million, the net of tax gain from the investment property revaluation of two joint ventures of HK$24 million, adding the impairment of goodwill of HK$6 million and the costs on early redemption of senior notes of HK$135 million, Underlying Profit for the period under review was HK$618 million. The Board of Directors did not recommend the payment of any interim dividend for the six months ended 30 June 2016 (1H2015: nil).

Ms Chu Kut Yung, Executive Director & Deputy Chairman of Hopson said, "Under the New Norm of macro-economy, the Group will rationally analyse and judge the development trend of the real estate industry with reference to the market trend, and adhering to national policies and the Group's strategic targets. Facing the continuous adjustment and control over land supply in first-tier cities, as well as the in-depth transformation of the real estate market, the Group will continue to leverage its competitive edges as usual. Through its diversified portfolio comprising residential properties, commercial properties, industrial real estate, etc., the Group will enhance the additional value and quality of products. The Group has also continuously promoted innovation of products, enriched product varieties, optimised product structure, improved comprehensive ancillary facilities and created a high-end brand image to gain recognition from customers and market reputation. Meanwhile, the Group has improved its risk-resistance capability so as to secure steady and solid growth in results."

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While anchoring its business presence in the three core economic zones in Pearl River Delta, Yangtze River Delta and Huanbohai Area, the Group will continue to make in-depth development in the real estate markets of first-tier cities. With first-tier cities as key focuses, the Group will extend its reach into more developed cities within the zones. For the six months ended 30 June 2016, the Group achieved contracted sales amount of HK$ 6,807 million. Contracted sales area of 562,807 square metres. During the period, GFA delivered was 420,854 square meters in total. The average selling price for delivered properties was HK$14,615 per square meter.

Adhering to the principles of product diversification and balanced business development, the Group has proactively created additional value for its products and established a wide variety of business sectors, such as residential properties, commercial properties and industrial real estate. During the period under review, income from property development was HK$6,544 million, income from property management was HK$391 million, income from property investment and income from hotel operation were HK$323 million and HK$92 million respectively.

The Group’s commercial property strategy is to focus on developing prime locations in first-tier cities to generate long-term and stable rental income and gain from property appreciation. Shanghai Hopson International Plaza is located at Wujiaochang business district, which is one of the four major city sub-centres in Shanghai. The project is one of the largest commercial complexes in Shanghai with a total GFA of approximately 350,000 square metres. It comprises a large mid-to-high-end shopping mall, a 5A-grade office building and a 5-star hotel, aims to provide extraordinary experience of leisure, shopping and quality of life in Wujiaochang business district. With an area of approximately 140,000 square metres, “Hopson One”, a large mid-to-high-end shopping mall of the project, commenced operation in the first half of 2016 and has a diversified tenant mix. It is near to commercial and residential buildings and schools; and hence enjoys large store traffic and huge potential for growth in consumption. Hopson Group has commissioned Hyatt Hotels and Resorts to manage the five-star hotel of the project. The hotel has commenced the trial operation in the first half of this year. It has 306 rooms with several banquet halls and aims to provide wonderful hotel services for consumers.

Driven by a reasonable, prudent and flexible land investment strategy, the Group will increase its land bank appropriately in a timely manner only after conducting stringent scientific assessments and considering changes in policies and markets, to match with its long-term development direction. Under the principle of maintaining a reasonable asset scale and prudent risk management, 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 Area to further enrich its land bank structure. As at 30th June 2016, the Group, as one of the large-scale first-tier developers in the industry, had land bank of 30.57 million square metres, which is sufficient to support the rapid development of the Group in the future.

Looking ahead the second half of the year, the Group will introduce a series of new phases mainly in economically well-developed regions, including Guangzhou, Beijing, Tianjin, Huizhou and Shanghai.

Mr. Chu Mang Yee, Chairman of the Group concluded, “In the second half of the year, the Group will keep pace with market changes to introduce various sales channels, improve project image proactively and adopt flexible sales and pricing strategies in a continuous and proactive way. The Company will also strengthen the management of project teams and recruit experienced sales personnel to guarantee strong sales of new projects and actively meet the Group’s sales targets. After the adjustment of product positioning in 2013 to 2015, the Group will launch more products targeting rigid demand and improvement needs in the second half of 2016.”

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