[For Immediate Release]

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

Hopson Announces 2017 Interim Results

***

Strengthened Diversification Development Strategies
Transformed into an all-round Front Runner

Financial Highlights

For the six months ended 30 June	**2017 HK$ million (Unaudited)**	2016 HK$ million (Unaudited)
Revenue	**3,909**	7,350
Underlying profit*	**373**	618
Profit attributable to equity holders	**1,262**	1,693
Basic earnings per share (HK$)	**0.567**	0.759

** Excluding the non-controlling interests, the effect of net of tax gain from investment property revaluation, the net of tax gain on disposal of land, the net of tax gain from the investment property revaluation of two joint ventures, the net of tax gain on disposal of financial assets at fair value through profit or loss, adding the costs on early redemption of asset-backed securities and the costs on early redemption of senior notes and goodwill impairment*

(31 August 2017 — Hong Kong) – Hopson Development Holdings Limited ("Hopson" or the "Company", which together with its subsidiaries, is referred to as the "Group"; stock code: 00754) announced today its unaudited interim results for the six months ended 30 June 2017(the "Period").

In the first half of 2017, the Chinese government continued its policies on property market regulation, giving category-based guidance and implementing different policies according to specific situation of different cities, which has caused a slowdown in the growth of real estate investment. In particular, the decline in sales growth mainly occurred in first-tier and key second-tier cities. The Group focused on the deployment in economically developed zones in the Pearl River Delta, Yangtze River Delta and Huanbohai Area while strengthening its foothold in first-tier cities including Guangzhou, Shanghai and Beijing. During the period, despite regulation policies, the Group recorded contracted sales of HK$5,052 million, while the gross floor area sold under contracts totaled approximately 332,385 square metres ("sq.m."). As at 30 June 2017, the Group recorded deferred revenue of HK$9,195 million, which will be recognized in the second half of 2017 and thereafter.

For the six months ended 30 June 2017, the Group recorded a revenue of HK$3,909 million, representing a year-on-year decline of 46.8%. Underlying profit was HK$373 million, representing a year-on-year decline of 39.6%. Profit attributable to equity holders decreased year-on-year by 25.5% to HK$1,262 million. Basic earnings per share were HK$0.567. The Board of Directors does not recommend any interim dividend (1H 2016: nil).

Miss Chu Kut Yung, Executive Director and Deputy Chairman of Hopson, said, "During the first half of 2017, in response to the regulatory policies of the Central Committee of the Communist Party of China and the State Council on the real estate market, the Group focused on rationalizing its business in view of the government policies so as to achieve the sales targets with stable progress while meeting the requirements under the regulatory policies of various local governments. Besides, the Group further enhanced its overall product quality and services on the basis of cost control in order to expand the brand influence of Hopson Development."

The Group continued its strategy of business diversification. During the period, the Group has established various business segments, including residential properties, commercial properties and industrial real estate, among which, residential properties has formed a relatively complete industrial chain. Its commercial property business continued to concentrate on property development in the prime locations of first-tier cities, aiming for long-term and stable rental income and gain from property value appreciation. Currently, the Group's commercial property business has invested in a number of large-scale projects. Meanwhile, with an aim to promote the formation of business clusters and technological innovation, the Group's industrial real estate business has been dedicated to providing one-stop integrated services for corporate headquarters and small and medium-sized enterprises.

During the period, the Group has been expanding its sales channel so as to boost both sales office visitor flow and transaction volume, thus speeding up the sales of inventory. Meanwhile, the Group accelerated the development of projects that can meet both rigid and upgraders' demands. It is expected that a large number of products that meet the market demand will be put up for sale in the next several years. On top of accelerating the opening and development of medium-to-high-end mega shopping centers, premium office buildings and hotel projects, the Group has also optimized the tenant mix of its investment properties in order to drive the growth of rental income.

During the period, an income of HK$2,766 million was derived from property development; HK$422 million from property management; HK$533 million from property investment and HK$187 million from hotel operation.

The Group adheres to a prudent and flexible land investment strategy, along with stringent scientific assessments and consideration of changes in both government policies and market conditions. On one hand, the Group actively develops its abundant land resources and seeks to optimize its product mix through land bank development. On the other hand, the Group closely monitors the conditions of the land market and seeks to identify quality lands for acquisition with the aim of increasing its premium land reserves in a timely manner and according to the conditions of both the Group and the market. The Group has been dedicated in investing in land resources with market potential in first-tier cities in Yangtze River Delta, Pearl River Delta and Huanbohai Area. As at 30 June 2017, the Group had a land bank of approximately 29.91 million sq.m.

Mr. Chu Mang Yee, Chairman of the Group concluded, "In the second half of the year, the Group will keep pace with the market dynamics by using various sales channels and establishing its own marketing channels, adopting a flexible sales and pricing strategies so as to generate a better sell-through rate of its new property projects and meet sales target. Over the past few years, the Group has adjusted the positioning of its products, and will launch more property projects that can meet both the rigid and upgraders' demands in the second half of the year. The Group will enhance its brand influence through an effective marketing strategy to boost sales and hence generate favorable returns to shareholders."

- End -

For further information, please contact:

iPR Ogilvy and Mather
Callis Lau/ Molisa Lau/ Francesca Yeung
Tel: 2136 6952/ 2136 6953/ 3920 7639
Fax: 3170 6606
E-mail: hopson@iprogilvy.com