

[For Immediate Release]



合生創展集團有限公司

HOPSON DEVELOPMENT HOLDINGS LIMITED

## Hopson Announces 2019 Interim Results

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**Achieved stable growth in revenue with diversified product portfolio**

### Financial Highlights

| For the six months ended 30 June      | 2019<br>HK\$ million<br>(Unaudited) | 2018<br>HK\$ million<br>(Unaudited) | Changes |
|---------------------------------------|-------------------------------------|-------------------------------------|---------|
| Revenue                               | 7,222                               | 4,965                               | +45%    |
| Contract liabilities (Deferred sales) | 16,409                              | 8,076                               | +103%   |
| Net profit                            | 2,655                               | 2,473                               | +7%     |
| Underlying profit                     | 1,547                               | 887                                 | +74%    |
| Basic earnings per share (HK\$)       | 1.193                               | 1.111                               | +7%     |

### Remarks:

1. Excluding non-controlling interests
2. Excluding the net of tax gain from investment property revaluation, 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 and the net of tax gain on sales of subsidiaries and associates

(21 August 2019 — 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 its unaudited interim results for the six months ended 30 June 2019 (the “Period”).

In the first half of 2019, the national economy performed within a reasonable range, and sustained the momentum of progress in overall stability. Hopson mainly focuses on the deployment in economically developed zones in the Pearl River Delta, Yangtze River Delta and Huanbohai Area. 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. For the six months ended 30 June 2019, the Group recorded a revenue of HK\$7,220 million, representing a year-on-year increase of 45%. Underlying profit was HK\$1,547 million, representing a year-on-year increase of 74%. Basic earnings per share were HK\$1.193. The Board of Directors recommends the payment of an interim dividend of HK\$10 cents per share.

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 rationalising its business in view of the government policies so as to forge ahead to the sales targets 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.

During the period, the Group adhered to its active and flexible land investment strategy and increased its land bank appropriately in a timely manner only after conducting stringent scientific assessments and considering changes in policies and markets. The Group actively developed its abundant land resources and as well closely monitored the land market to seek quality land resources with reference to its actual conditions and market situation. During the period, the Group added land bank of 516,000 square metres (“sq.m.”). As at 30 June 2019, the Group had a land bank of approximately 29.40 million

sq.m., of which 57% were in first-tier cities, amounting to 16.69 million sq.m..

Adhering to the principles of product diversification and balanced business development as well as the positioning as an urban integrated operator, the Group has established four business sectors, namely residential properties, commercial properties, property management and infrastructure.

### Residential Property

During the period, the group launched projects including The Town of Hangzhou Bay which realised contracted sales amount of approximately RMB2,710 million in the first half of the year. In response to the government policies, the Group also actively strengthened its footholds in Guangdong-Hong Kong-Macao Greater Bay Area. In the first half of the year, the Group launched projects in Greater Bay Area including Hopson Hushan Guoji Villa, Hopson International New City (Huizhou) and Hopson Xiaogui Bay, etc.

In the first half of 2019, the Group achieved contracted sales of RMB10,368 million with a total GFA of 786,182 sq.m., representing an increase of 66.3% and 61.6% year-on-year, respectively. Among which, the Group achieved contracted sales of RMB3,628 million with a total GFA of approximately 137,910 sq.m. in first tier cities, accounting for approximately 35.0% and 17.5% of the total contracted sales and total contracted sales area respectively, fully reflecting the Group's strategic deployment in first-tier core cities in the three core economic zones. As at 30 June 2019, the Group recorded deferred revenue of HK\$16.4 billion, which will be recognized in the second half of 2019 and thereafter.

### Commercial Real Estate

In the first half of 2019, by virtue of its ample and quality land bank and with product innovation, model innovation, service innovation and cultural innovation as its development and operation concept, the Group developed and operated investment property such as urban complexes, shopping malls, office buildings, industrial parks and hotels in prime locations in first-tier cities. For the period, the commercial segment recorded income of approximately RMB1,315 million and EBITDA of approximately RMB811 million, recording a year-on-year increase of 29% in revenue.

### Property management

In respect of property management, Esteem Property Management under the Group is one of the leading property management service providers in China, which ranked top 20 in property management. In addition to provision of traditional property management services, Esteem Property offers various value-added services, including living services, property agency and asset management etc., aiming to enhance customer satisfactory at different aspects. As at 30 June 2019, the gross floor area under management of Esteem Property Management increased by 0.3% to approximately 28.67 million sq.m. from approximately 28.59 million sq.m. as at the end of 2018.

### Infrastructure

Under the infrastructure sector, at present, the construction companies and construction design companies under the Group is primarily engaged in undertaking the construction works and construction design of self-owned projects of the Group, as well as external contracted works. The development in infrastructure investment segment always strives to the principle of maintaining balance between progress and quality, which will be beneficial to the general image of the Group.

Looking ahead to the second half of 2019, the Group will launch projects in the prime locations in both first-tier and core second-tier cities. Such projects will come with comprehensive ancillary facilities, or near the countryside endowing with rich natural scenic beauty. Carrying on the Group's high-quality standard and diversified product offerings, our newly-developed projects have already got the attention and recognition of the customers in target markets. The Group expects that through continuously building up positive brand influence and implementing effective marketing strategies, the Group will achieve remarkable sales results.

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