

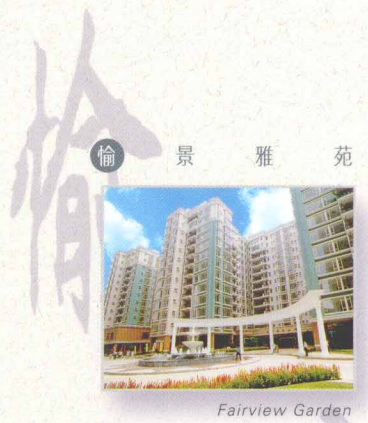


Gallopade Park



Huajing New City

一 九 九 九 年 中 期 業 績 報 告



Fairview Garden



Regal Court



Financial Highlights

Six months ended 30th June, 1999

- **Turnover amounted to HK\$625,997,000**
- **Profit attributable to shareholders reached HK\$118,110,000**
- **Earnings per share were HK\$0.12**
- **An interim dividend of HK 3 cents per share was declared**

Interim Results

The Board of Directors of Hopson Development Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th June, 1999 as set out below:

For the six months ended 30th June			
	Notes	1999 HK\$'000	1998 HK\$'000
Turnover	1	625,997	621,843
Profit before taxation		246,010	223,884
Taxation	2	(122,974)	(69,762)
Profit after taxation		123,036	154,122
Minority interests		(4,926)	(10,750)
Profit attributable to shareholders		118,110	143,372
Earnings per share	3		
– Basic		HK\$0.12	HK\$0.18
– Diluted		HK\$0.12	N/A

Notes:

1. Turnover

Turnover comprised (i) sale/pre-sale of properties under development for sale, which is recognised over the entire period of construction in respect of properties under development for sale, the pre-sale activities and construction work of which has progressed to a stage when the ultimate realisation of profit can be reasonably determined. Business taxes are levied at 5% of gross turnover and the turnover figure shown on the consolidated profit and loss account is presented net of business taxes. The total estimated profit is apportioned over the entire period of construction to reflect the progress of the development. On this basis, profit recognised on the pre-sold portion of the properties is calculated by reference to the proportion of construction costs incurred at the end of the period to the estimated total construction costs on completion with due allowance for contingencies. The profit so recognised is restricted to the amount of instalments received and (ii) sale of completed properties held for sale which is recognised upon completion of sale and purchase agreement. The profit recognised is restricted to the amount of instalments received.

2. Taxation

Taxation comprised (i) provisions for Hong Kong profits tax at the rate of 16% (1998: 16%) and PRC enterprise income tax at 33% on the profits of companies within the Group for financial reporting purposes, adjusted for income and expenses items which are not assessable or deductible for taxation purposes; (ii) provisions for land appreciation tax at progressive rates ranging from 30% to 60% on the balance of the proceeds received on transfer of real properties after deducting certain deductible items; and (iii) provisions for deferred taxation, at the current tax rate, in respect of significant timing differences arising from the use of different bases of recognition of revenues and expenses for financial reporting and tax purposes.

3. Earnings per share

The calculation of basic earnings per share is based on the unaudited consolidated profit attributable to shareholders for the six months ended 30th June, 1999 of HK\$118,110,000 (six months ended 30th June, 1998: HK\$143,372,000) and the weighted average of 1,000,000,000 shares (six months ended 30th June, 1998: 791,666,667 shares) in issue during the period.

The calculation of the diluted earnings per share was based on the unaudited consolidated profit attributable to shareholders for the six months ended 30th June, 1999 of approximately HK\$118,110,000 and the diluted weighted average number of approximately 1,002,916,667 shares in issue during the period. It has been calculated after taking into account of outstanding share options as of 30th June, 1999. The effect of the dilutive potential ordinary shares resulting from the outstanding share options on the weighted average number of shares in issue during the period was 2,916,667 shares, which were deemed to be issued at no consideration if all outstanding share options had been exercised on the date the options were granted. The diluted earnings per share for the six months ended 30th June, 1998 were not shown as there were no share options being granted during that period.

4. Comparative figures

Certain of the 1998 comparative figures have been reclassified to conform to the current period's presentation.

Interim Dividend

The Board of Directors has declared an interim dividend of HK 3 cents per share for the six months ended 30th June, 1999 to be paid to shareholders whose names appear on the register of members of the Company at the close of business on 20th October, 1999. The relevant dividend warrants will be despatched to shareholders on 10th November, 1999.

Closure of Register of Members

The register of members of the Company will be closed from 13th October, 1999 to 20th October, 1999, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrars, Central Registration Hong Kong Limited, Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 12th October, 1999.

Business Review

During the period under review, the Group's turnover and operating profits maintained at a steady level over the corresponding period last year. In the first six months ended 30th June, 1999, turnover of the Group amounted to HK\$625,997,000 at a similar level as compared to the same period last year. Profit attributable to shareholders decreased by 17.6% over the same period last year to HK\$118,110,000. The Board of Directors has resolved to declare an interim dividend of HK3 cents per share in respect of the six months ended 30th June, 1999.

Market Overview

In the first half of 1999, Guangzhou City recorded a 12% economic growth rate, the highest amongst major cities in China.

In respect of property market, according to the statistics of Guangzhou Real Estate Information Centre, in the first six months of 1999, pre-sale floor areas and transaction value of commodity properties in Guangzhou City slightly decreased by 7.75% and 7.55% respectively over the same period in 1998. The main reason for the decrease can be attributed to the contraction of institutional buyers as compared to the same period last year; however, buying forces of individual purchasers continued to grow steadily.

During the period under review, Guangzhou Municipal Government has tightened land supply through public tenders and auctions. Approved pre-sale areas of commodity properties which reflected the market supply recorded a decrease of 43.27% during the first half of 1999 over the same period last year. This proved beneficial to developers already possessing substantial landbank.

The situation of secondary property transaction continued to improve. Guangzhou State Land and Housing Bureau implemented a number of policies in 1998 to stimulate the secondary property market. These policies already took effect this year. During the first half of 1999, Guangzhou's secondary property market has attained marked increases in transaction area and transacted value. With the reform of the regulatory framework, secondary property market will be more active than before which will in turn mobilise the buying incentive of the primary market.

Investments in the construction of infrastructure in Guangzhou City were also augmented this year. In addition to the opening of Metroline No. 1 in June this year, major construction projects such as construction of facilities for the Ninth National Games, the Metro line No.2, and the core construction work for an extensive road network are underway. All these have enhanced the city planning of Guangzhou and will significantly promote the development of property market.

The Group's Sales Performance

The Group's sales performance remained satisfactory. During the period under review, the Group achieved property sales of approximately RMB 608,000,000, representing approximately 120,000 sq.m., or approximately 1,160 residential units. The Group has remained as one of the top - selling developers in Guangzhou City.

During the period under review, the Group completed gross floor areas ("GFA") of 134,000 sq.m. and had another 881,000 sq.m. under construction which will be ready for occupancy in the second half of 1999 or in the year 2000. The Group has also established itself as one of the largest property developers in Guangzhou City in terms of floor areas under construction.

The Group's performance was in line with its focused strategy. In providing quality projects combined with innovative marketing and promotion campaigns, the Group was able to capture valuable market opportunities.

業務回顧

在回顧期內，本集團的營業額及經營溢利較去年同期相比，表現平穩。截至一九九九年六月三十日止首六個月，本集團營業額達港幣625,997,000元，與去年同期基本持平。股東應佔溢利較去年同期下跌17.6%，為港幣118,110,000元。本公司董事會建議派發截至一九九九年六月三十日止六個月期間中期股息每股港幣3仙。

市場概覽

在一九九九年上半年，廣州市經濟增長幅度達12%，此增長幅度位列中國各大城市之首。

在物業市場方面，根據廣州市房地產信息中心的資料顯示，在一九九九年首六個月，廣州市預售商品房的樓面面積和成交額分別微跌7.75%和7.55%。下跌的其中一個原因是在一九九九年上半年單位購房的交易比去年同期顯著下降，但個人購房的購買力則繼續平穩增長。

在回顧期內，廣州市政府透過土地招標和拍賣進一步限制土地供應。因此，在一九九九年上半年，反映市場供應量之批准預售商品房面積較去年同期下跌了43.27%。這對已擁有大量土地儲備的發展商較為有利。

二手樓交易活躍程度持續改進。廣州市國土房管局為促進二手樓市場的發展，實施了一連串措施，這些措施在今年已初見成效。一九九九年上半年，二手地產市場成交面積和交易金額均有顯著上升。隨著改革和法制進一步完善，二手樓交易將比前更活躍，對一手樓市場有推動作用。

廣州市今年亦加大了城市基礎建設的投資力度。隨著地鐵一號線今年六月啟用，其他大型建設工程，例如九屆全運會工程、地鐵二號線和道路網絡主體工程亦進行得如火如荼，使得廣州市規劃更趨完善，對房地產業的發展有很大的促進作用。

本集團銷售成績

本集團的銷售表現令人滿意。於回顧期內，本集團實現銷售額約人民幣608,000,000元，面積約為120,000平方米，或約1,160個住宅單位。本集團繼續保持成為廣州市內銷售業績最佳的物業發展商之一。

回顧期內，本集團落成樓面面積約為134,000平方米，另有881,000平方米在建面積。目前在建樓面面積將於一九九九年下半年或二零零零年入伙。以在建樓面面積計算，本集團亦已成為廣州市發展規模最大的房地產發展商之一。

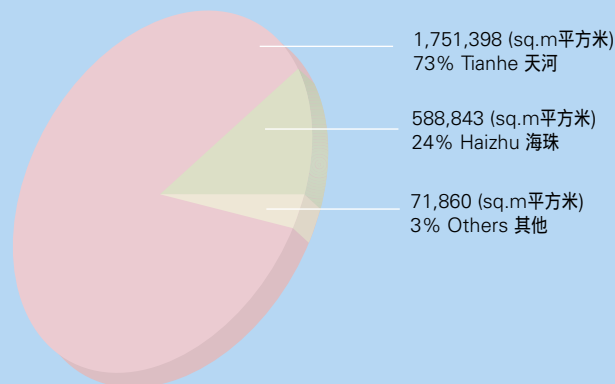
本集團的表現配合其重點策略。優質項目配合創新的市場推廣計劃，令本集團能抓緊寶貴的市場機遇。

Sales breakdown and landbank 物業銷售及土地儲備

The breakdown of property sales for the period under review is as follows:
期內，本集團物業銷售細列如下：

	Contracted Sales (RMB Million)	Sales/Pre-Sale GFA ('000 sq.m.)
	已簽約銷售額 (人民幣百萬元)	銷售/預售建築樓面面積 (千平方米)
Gallopade Park 駿景花園	343	70
Fairview Garden 愉景雅苑	155	29
Huajing New City 華景新城	103	20
Others 其他	7	1
Total 總計	608	120

Landbank Breakdown by District
土地儲備按區域分



Total attributable GFA 集團所佔總樓面面積 2,412,101 sq.m. 平方米

Project Progresses

We are pleased to report that during the period under review, all of the Group's projects were progressing well, most of which were ahead of schedule.

During the period under review, 12 mid-rise blocks of Gallopade Park Phase 1 were in occupancy in February, 1999 and 16 mid-rise blocks of Fairview Garden Phase 1 were in occupancy in August 1999.

In addition, a total of other 13 high-rise blocks and 70 mid-rise blocks of Gallopade Park Phases 2 and 3, Fairview Garden Phase 2, Huajing New City Phases 6A and 6B, Grandview Place and Regal Court have already attained top-out stages.

Prospect

1999 will be a year of opportunities co-existing with challenges. The welfare housing policy will be replaced by monetary subsidy scheme after 1999. Government policies in regard to land supply are expected to better regulate the property market. In addition, the successive reduction in interest rates and the proactive mortgage policy should further stimulate the local housing demand.

The Group will continue to enlarge its market share by providing more large-scale projects and middle-priced products, and will accelerate the project progresses. The Group is currently carrying out negotiations to replenish its landbank with quality sites.

With a valuable and sizeable landbank, an established reputation in the Guangzhou property market, together with its focused and effective marketing strategies, the Group should be able to strengthen its dominant position in the marketplace and to achieve satisfactory returns for its shareholders.

項目進度

本集團欣然報告在回顧期內，本集團所有項目進展程度令人滿意，大部分項目進度比預期中快。

在回顧期內，駿景花園一期12幢中層樓宇已於一九九九年二月入伙，愉景雅苑一期16幢中層樓宇於一九九九年八月入伙。

其餘駿景花園二期及三期、愉景雅苑二期、華景新城六A及六B期、鴻景園及帝景苑共13幢高層樓宇及70幢中層樓宇已達結構平頂階段。

業務展望

一九九九年是機會與挑戰並存的一年。過了一九九九年，福利分房將被貨幣分房所取代，政府有關土地供應的政策預計會使市場秩序更為良好。與此同時，國內息率連續調低，配合有利買家的按揭政策，應有助進一步刺激當地住房需求。

本集團將會提供更多大型項目及中價樓宇以擴大市場佔有率，並會加快項目進度，及繼續洽商在優質的地段增購土地儲備。

本集團擁有可觀及優質的土地儲備，在廣州市房地產市場上建立了良好聲譽，加上其專注及有效的市場推廣策略，本集團將會進一步加強其在市場的顯著領導地位，為股東尋求理想的回報。

Audit Committee

The Company has established an Audit Committee consisting of three independent non-executive directors of the Company. Its principal duties include the review and supervision of the Group's financial reporting process and internal controls.

Director's Interests

Share Options

Pursuant to the Company's share option scheme ("Share Option Scheme") adopted by the Company on 4th April, 1998 ("Effective Date"), the Directors may, at their discretion, invite any executive and/or employee of the Company and/or its subsidiaries to take up options to subscribe for shares in the Company. An option granted under the Share Option Scheme is exercisable in accordance with the terms of the Share Option Scheme at any time during the period commencing on the date of grant of the option and expiring at the close of business on the earlier of the business day preceding the fifth anniversary of the date of grant and the business day preceding the tenth anniversary of the Effective Date. Particulars of options granted by the Company to a Director pursuant to the Share Option Scheme as at 30th June 1999 are as follows:

Name	Number of Shares to be issued upon the Exercise of the Share Option	Date of Grant	Exercise Price Per Share (HK\$)
Tse Sai Tung, Stones	2,000,000	14th July, 1998	1.49
Tse Sai Tung, Stones	1,000,000	14th January, 1999	0.61

On 14th July, 1999, a further 1,000,000 share options were granted to Mr. Tse Sai Tung, Stones at an exercise price of HK\$1.00 each.

Save as disclosed herein, no right to subscribe for equity or debt securities of the Company has been granted by the Company to, nor has any such right been exercised by, any Director or chief executive of the Company or the spouse or children under 18 years of age of such Director or chief executive up to the date of this report.

Company Securities

As at 30th June 1999, the interests of the Directors and their associates in the share capital of the Company and its associated companies (within the meaning of the Securities (Disclosure of Interests) Ordinance (The "SDI Ordinance")) as recorded in the register required to be kept under section 29 of the SDI Ordinance were as follows:

Name of Director	Number of Shares	Company	Nature of Interest
Chu Mang Yee	637,500,000 (Note 1)	the Company	Corporate
Au Wai Kin	37,500,000 (Note 2)	the Company	Corporate
Cheung Fong Wing	75,000,000 (Note 3)	the Company	Corporate and Family
Luk Wai Kei	75,000,000 (Note 3)	the Company	Corporate and Family

Notes:

- 577,500,000 shares are held by Sounda Properties Limited, the entire issued share capital of which is held by Mr. Chu Mang Yee. 60,000,000 shares are held by ICEA (Nominees) Limited for Mr. Chu Mang Yee.
- These shares are held by Yield Plentiful Incorporated, the entire issued share capital of which is held by Mr. Au Wai Kin.
- These shares are held by Ommaney Properties Limited which is owned as to 60% by Mr. Cheung Fong Wing and as to 20% by Ms. Luk Wai Kei. Accordingly, their interests are duplicated. Mr. Cheung Fong Wing and Ms. Luk Wai Kei are husband and wife.

審核委員會

本公司已成立了審核委員會，成員包括三個獨立非執行董事，該委員會之主要職責應包括檢討及監察上市公司的財務 報程序及內部監控。

董事之權益

購股權

據本公司於一九九八年四月四日（「生效日期」）採納之本公司購股權計劃（「購股權計劃」），董事可酌情邀請本公司及/或其附屬公司的行政人員及/或其僱員接受可認購本公司股份的購股權。據購股權計劃授出之購股權可按照購股權計劃之條款於該購股權授出之日起計之期間內隨時行使，並於下列二者較早之日屆滿；該購股權授出之日五週年前夕的工作天完結之前及生效日期十週年前夕的工作天完結之前。下列是直至一九九九年六月三十日止，據購股權計劃授予董事之購股權細則：

董事姓名	行使購股權時授出日期將予發行之股數	授出日期	每股行使價 (港元)
謝世東	2,000,000	一九九八年七月十四日	1.49
謝世東	1,000,000	一九九九年一月十四日	0.61

於一九九九年七月十四日，本公司再授予謝世東先生1,000,000購股權，行使價為每股港幣1.00元。

截至本報告刊登之日，除上述所披露外，本公司沒有授出任何可認購本公司股本證券或債務證券的權利予本公司董事或行政總裁或其配偶或18歲以下子女，亦沒有任何本公司的董事或行政總裁或其配偶或18歲以下子女行使此等權利。

本公司證券

於一九九九年六月三十日，董事及其關連人士於本公司及聯營公司（定義見證券（公開權益）條例「公開權益條例」）之股本中擁有並已記入按公開權益條例第29條設立之登記冊之權益如下：

董事姓名	股份數目	機構	權益類別
朱孟依	637,500,000 (附註一)	本公司	公司
歐偉建	37,500,000 (附註二)	本公司	公司
張芳榮	75,000,000 (附註三)	本公司	公司及家屬
陸維璣	75,000,000 (附註三)	本公司	公司及家屬

附註：

- 577,500,000股份由朱孟依先生全資擁有的新達置業有限公司持有。60,000,000股份由ICEA (Nominees) Limited 代朱孟依先生持有。
- 此等股份由歐偉建先生全資擁有的盈豐置業有限公司持有。
- 此等股份由好利置業有限公司持有，而張芳榮先生及陸維璣女士分別擁有好利置業有限公司60%及20%權益。因此，彼等之權益已重復披露。此外，張芳榮先生及陸維璣女士二人乃夫妻關係。

Save as disclosed herein, none of the Directors or the chief executive of the Company have any beneficial or non-beneficial interests in the share capital of the Company or its associated companies (within the meaning of the SDI Ordinance) which were required to be notified to the Company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including interest which they were deemed or taken to have under section 31 or Part 1 of the schedule to the SDI Ordinance) or which were required to be entered in the register required to be kept under section 29 of the SDI Ordinance.

Substantial Shareholders

As at 30th June, 1999, the persons (not being a Director or chief executive of the Company) who were, directly or indirectly, interested in 10% or more of the nominal value of the share capital of the Company and the number of shares in which they were, and/or were deemed to be, interested as recorded in the register kept by the Company under section 16(1) of the SDI Ordinance were as follows:

Name	Number of shares in the Company
Sounda Properties Limited	637,500,000
HKSCC Nominees Limited	235,722,000

Note:

Sounda Properties Limited is wholly owned by Mr. Chu Mang Yee. The shares held by Sounda Properties Limited are the same as the interests of Mr. Chu Mang Yee in the share capital of the Company disclosed above.

Save as disclosed herein, there is no person known to the Directors or chief executive of the Company who, as at 30th June, 1999 was, directly or indirectly, interested in 10% or more of the nominal value of the share capital of the Company.

Year 2000 Compliance

As reported in the 1998 Annual Report, the Group was progressing well in handling the Year 2000 issue. The compliance work has now been completed on schedule with all the accounting and other systems tested to be fully Y2K compliant in June 1999. Contingency plans covering critical systems have been established to minimise the impact of any potential disruption in the unlikely event of its occurrence.

The total costs incurred on this project amounting to HK\$299,958 are within the budget authorised by the Directors and are capitalised or charged to profit and loss account according to accounting policies adopted by the Group.

Code of Best Practice

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not for any part of the six months ended 30th June, 1999, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited except that the independent Non-executive Directors were not appointed for a specific term. However, all Directors save the Chairman, Deputy Chairmen, and Managing Director are subject to retirement by rotation in accordance with the Bye-Laws of the Company.

Purchase, Sale or Redemption of the Company's Listed Securities

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board

Chu Mang Yee

Chairman

Hong Kong, 20th September, 1999

除上述披露外，公司董事及行政總裁概無擁有本公司或其聯營公司（定義見公開權益條例）之任何股本之實益或非實益而須根據公開權益條例第28條知會本公司及聯交所（包括根據公開權益條例第31條或其附表第一部份被視作或當為擁有之權益），或根據公開權益條例第29條須登記於該條例所述之登記冊內之權益。

主要股東

截至一九九九年六月三十日，根據公開權益條例第16(1)條規定須予設立之登記冊所記錄，所有直接或間接擁有本公司股本面值10%或以上之人士（並非為本公司之董事或行政總裁），及其所享有，或被視為享有權益之股份數目詳列如下：

名稱	於本公司股份數目
新達置業有限公司	637,500,000
HKSCC Nominees Limited	235,722,000

附註：

新達置業有限公司為朱孟依先生全資擁有。新達置業有限公司所持有之股份與上述朱孟依先生所擁有本公司股本之權益相同。

除上述披露外，據本公司之董事或行政總裁所知，於一九九九年六月三十日，並無任何人士直接或間接擁有本公司之股本面值之10%或以上。

適應二零零零年電腦問題

如一九九八年年報中作出報告，本集團就處理公元二千年電腦問題進展良好。監控工作已按時間表完成，所有會計及其他系統已在一九九九年六月全面完成測試。涵蓋關鍵系統之緊急應變措施已經完成，以儘量減少任何理論上不可能發生的事件出現時引致的潛在混亂。此計劃涉及的金額達港幣299,958元，有關數額乃經董事會核准，並已按本集團的會計準則計入綜合損益表中。

最佳應用守則

董事認為在截止一九九九年六月三十日為止六個月的任何時間內，除沒有設定本公司獨立非執行董事的特定委任期限外，並未得悉任何資料足以合理反映本公司在期內並沒有遵守香港聯合交易所有限公司證券上市規則附錄14所載的最佳應用守則。除主席、副主席及董事總經理外，其他董事須根據本公司的公司細則於本公司的股東週年大會上，輪流退任。

購買、出售或贖回本公司之上市證券

期內，本公司及附屬公司概無購買、出售或贖回本公司之上市證券。

承董事會命

朱孟依

主席

香港，一九九九年九月二十日

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