

FINANCIAL HIGHLIGHTS

Six months ended 30th June, 2000

- Turnover was HK\$519,770,000
- Profit attributable to shareholders amounted to HK\$89,964,000
- Earnings per share were HK\$0.09
- An interim dividend of HK\$0.01 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, 2000 with comparative figures for the corresponding period last year as set out below:

	NOTES	For the six months ended 30th June	
		2000 HK\$'000	1999 HK\$'000 <i>Note (4)</i>
Turnover	(1)	519,770	625,997
Cost of sales		(329,077)	(340,094)
Gross profit		190,693	285,903
Other revenue		1,096	716
Selling and distribution expenses		(33,568)	(29,299)
General and administrative expenses		(16,273)	(15,668)
Profit from operations		141,948	241,652
Finance income, net		3,638	4,358
Profit before taxation		145,586	246,010
Taxation	(2)	(51,562)	(122,974)
Profit after taxation		94,024	123,036
Minority interests		(4,060)	(4,926)
Profit attributable to shareholders		89,964	118,110
Earnings per share	(3)		
– Basic		9 cents	12 cents
– Diluted		9 cents	12 cents

Notes:

(1) Turnover

Turnover comprised (1) 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 have 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 income statement 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; (2) 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; (3) rental income which is recognised when rental is received or receivable; and (4) property management income which is recognised when services are rendered.

(2) Taxation

Taxation comprised (i) provisions for Hong Kong profits tax at the rate of 16% (1999:16%) and overseas taxation at the applicable rates prevailing in the countries of operation 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) provision 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, and (iii) land appreciation tax is levied 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 including consideration paid for acquisition of land use rights, land development costs incurred, construction costs spent for new buildings and facilities on the land or the assessed value of old buildings and facilities on the land and taxes paid in relation to the transfer of real properties. In December, 1999, the National Tax Bureau granted a tax ruling to the Group to extend the land appreciation tax exemption period up to 31st December, 2000 regarding development projects registered before 1st January, 1994.

(3) Earnings per share

The calculation of the basic earnings per share was based on the unaudited consolidated profit attributable to shareholders for the six months ended 30th June, 2000 of approximately HK\$89,964,000 (1999: profit of HK\$118,110,000) and the weighted average number of 1,000,000,000 shares (1999: 1,000,000,000 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, 2000 of approximately HK\$89,964,000 (1999: profit of HK\$118,110,000) and the diluted weighted average number of approximately 1,000,629,941 shares (1999: 1,000,153,776 shares) during the period. It has been calculated after taking into account of outstanding share options as of 30th June, 2000. 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 629,941 shares (1999: 153,776 shares), which were deemed to be issued at no consideration if all outstanding share options have been exercised, on the date when the options were granted.

(4) Comparative figures

Certain of the 1999 comparative figures have been reclassified to conform to the current period's presentation. In particular, the comparative figures have been adjusted or expanded to take into account Statement 2.101 of Statement of Standard Accounting Practice “Presentation of Financial Statements” issued by the Hong Kong Society of Accountants, which became effective during the second half of the year ended 31st December, 1999.

INTERIM DIVIDEND

The Board of Directors has declared an interim dividend of HK\$0.01 per share for the six months ended 30th June, 2000 to be paid to shareholders whose names appear on the register of members of the Company at the close of business on 27th October, 2000. The relevant dividend warrants will be despatched to shareholders on 22nd November, 2000.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 20th October, 2000 to 27th October, 2000, 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 19th October, 2000.

BUSINESS REVIEW

In the first six months ended 30th June, 2000, turnover of the Group was HK\$519,770,000, 17.0% decrease as compared with the same period last year. Profit attributable to shareholders decreased by 23.8% over the same period last year to HK\$89,964,000. The Board of Directors has resolved to declare an interim dividend of HK\$0.01 per share in respect of the six months ended 30th June, 2000.

MARKET OVERVIEW

The macro economic environments in the first half of 2000 experienced steady development. According to official statistics, the GDP growth of the nation achieved 8.2%, whereas Guangzhou exhibited a 14.3% increase. The disposable income of Guangzhou residents also improved by 17% as compared with the same period last year.

The pro-active measures were still playing indispensable roles in maintaining the market momentum. Both supply and demand remained active, notwithstanding that prices were relatively stagnant. The implementation of new housing reform policy has not created demand discontinuity, as reflected in the fact that transaction volume was kept at the same level as compared with last year. The transacted floor areas of commodity properties as recorded exceeded the approved areas for the first half of the year, implying healthy market absorption. The secondary property market in Guangzhou also continues to report marked improvement, almost doubling the figures for the same period last year.

Project for Metro Line No. 3 from Tianhe to Panyu was approved. The merging of Panyu and Huadu into Guangzhou municipality has posed more development opportunities for industry players. Large-scale and multi-facility developments in the outskirts of the city are receiving increasingly greater attention in the marketplace. Such positive operating environments have heated up interests of property developers, resulting in an increase in property investment by 30.45% and in new constructions by 58.86%, compared with the same period last year.

中期股息

董事會宣佈向於二零零零年十月二十七日名列股東名冊之股東派發截至二零零零年六月三十日止六個月之中期股息每股港幣1仙。有關之股息將於二零零零年十一月二十二日寄予股東。

暫停辦理股份過戶登記

本公司將於二零零零年十月二十日至二零零零年十月二十七日，包括首尾兩天，暫停辦理股份過戶登記手續。所有過戶文件連同有關股票，須於二零零零年十月十九日下午四時前，一併送抵本公司之香港股份過戶登記處香港中央證券登記有限公司（地址為香港皇后大道東183號合和中心1712至1716舖）辦理股份過戶登記手續。

業務回顧

截至二零零零年六月三十日止首六個月，本集團營業額為港幣519,770,000元，與去年同期比較下跌17.0%。股東應佔溢利比去年同期下跌23.8%達港幣89,964,000元。董事會宣佈派發就截至二零零零年六月三十日止六個月的中期股息為每股港幣1仙。

市場總覽

二零零零年上半年的宏觀經濟氣候發展穩定。根據官方數字，全國國內生產總值增幅達8.2%，其中廣州的增長達14.3%。廣州市居民的可使用收入與去年同期比較亦有17%的增進。

有利市場的措施仍然扮演着推動市場動力的重要角色。雖然樓價相對偏軟，但買賣雙方仍然活躍。與去年相比，交投量維持相若水平，反映實施新的房改政策並未使需求出現斷層現象。商品房物業錄得的買賣樓面面積高於本年上半年度的經審批面積，顯示市場吸納處於健康水平。廣州二手市場買賣情況亦繼續錄得顯著進展，增幅幾近去年同期數字之一倍。

天河至番禺的地鐵三號支線項目已獲批建。番禺及花都併入廣州市將為業內人士帶來更多發展機會。而位於城市邊緣的大型及設施齊備之發展項目於市場上愈來愈受重視。此等正面營運環境誘發物業發展商的濃厚興趣，物業投資與去年同期比較增長30.45%，而新建築項目則上升58.86%。

SALES BREAKDOWN 物業銷售

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 已簽約銷售額 (RMB million) (人民幣百萬元)	Sales/ Pre-sale GFA 銷售／預售 建築樓面面積 ('000 sq.m.) (千平方米)
Gallopade Park	駿景花園	255	45
Regal Court	帝景苑	181	22
Huajing New City	華景新城	90	16
Fairview Garden	愉景雅苑	55	10
Others	其他	1	1
Total	總計	582	94

GROUP'S SALES PERFORMANCE

During the period under review, the Group's projects available for sales were Regal Court, Gallopade Park, Huajing New City and Fairview Garden. The Group completed property sales in the proximity of approximately RMB 582,000,000, representing approximately 94,000 sq.m., or approximately 945 residential units.

PROJECT PROGRESSES

Projects of the Group progressed within, or even ahead of, planned schedule. In March, 23 mid-rise blocks of Gallopade Park and 4 high-rise blocks of Huajing New City Phase 6 were in occupancy. In addition, 2 mid-rise blocks of Fairview Garden were also completed in June and 5 high-rise blocks of Regal Court were being handed-over to buyers from August.

As at the end of June, the projects under construction were Phase 2 of Regal Court, Phase 6C of Huajing New City and Phase 3 of Fairview Garden. The new projects of Riverside New City, Huanan New City, along with Pleasant View Garden, are all in active preparation stage.

PROSPECT

With consistent economic growth and elevated household income, the underlying demand for quality housing remains strong. Individual buyers have dominated the marketplace since the post- housing reform and market orientation is a key factor for success in property development.

In view of the increasing supply along the pipeline, the competition in local property market remains significant. The anticipated imbalance between supply and demand in medium term will accelerate the market selection process. The aspiration of property buyers for improved quality of living space will influence property developers in their approach to business strategy and product design. Market reputation, integrated product quality and scale economy will form essential business assets. The enlarged platform caused by the larger municipality of Guangzhou further exploits the ability of market players to adapt and manage changes.

本集團銷售表現

於回顧期間，本集團可予出售的項目有帝景苑、駿景花園、華景新城及愉景雅苑。本集團的物業銷售額約達人民幣582,000,000元，相當於約94,000平方米，或約945個住宅單位。

項目發展進度

本集團的項目進度均令人滿意，按計劃進度或甚至超越計劃進度順利進行。於三月份，駿景花園23幢中層大廈及華景新城第六期4幢高層大廈相繼入伙。此外，愉景雅苑亦有2幢中層大廈於六月落成，而帝景苑5幢高層大廈已自八月起開始交予買家。

於六月底，帝景苑第二期，華景新城第六C期及愉景雅苑第三期的建築工程正在順利進行。珠江僑都，華南新城及逸景翠園等新項目均處於積極的籌備階段。

業務展望

持續經濟增長及家庭收入提高使對優質房屋的潛在需求保持強勁。個人買家於新房改措施實行後已成為市場主導，市場取向亦成為物業發展的重要成功因素。

鑑於潛在之市場供應將逐漸增加，物業市場競爭仍維持激烈。預期供求的不平衡於中期而言會加速市場淘汰過程。物業買家為追求改善生活環境質素之購買意欲將為物業發展商的業務策略及產品設計帶來影響。市場品牌、產品綜合質素及規模效應將成為重要的業務資產。廣州市版圖不斷擴大，市場亦因應變大，市場參與者接受及應付轉變的能力正備受考驗。

It is planned that the Group's sale activities will focus on existing projects until early next year when the Group's new projects can be put into the market. Given the large scale and excellent location of the upcoming projects, it is believed that the Group will be able to capture substantial sales revenues for the years to come, thereby offering good opportunity for the Group's business growth.

AUDIT COMMITTEE

The Company's Audit Committee consisting all of the three Independent Non-executive Directors has reviewed with management the accounting principles and practices adopted by the Group and internal control and financial reporting matters, including review of the unaudited financial statements for the six months ended 30th June, 2000.

DIRECTOR'S INTERESTS

SHARE OPTIONS

The Company has a share option scheme, under which it may grant options to employees (including executive directors) of the Group to subscribe for shares in the Company. As of 30th June, 2000, Mr. Tse Sai Tung, Stones, an executive director of the Company, has personal interest in share options to subscribe for shares in the Company. Details of his interests are set out below:–

Date of Grant	No. of share options outstanding as of 30th June, 2000	Exercise Price per share HK\$
14th July, 1998	2,000,000	1.49
14th January, 1999	1,000,000	0.61
14th July, 1999	1,000,000	1.00
14th January, 2000	1,000,000	0.75

COMPANY SECURITIES

As of 30th June, 2000, the interests of directors in the issued share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:–

Name	Notes	Number of shares beneficially held	
		Personal	Corporate
Chu Mang Yee	(a)	–	637,500,000
Au Wai Kin	(b)	–	37,500,000
Cheung Fong Wing	(c)	–	38,000,000
Luk Wai Kei	(c)	–	38,000,000

Notes:

- (a) Such shares were held through a corporation, which is wholly owned by Mr. Chu Mang Yee, and a nominee company.
- (b) Such shares were held through a corporation, which is wholly owned by Mr. Au Wai Kin.
- (c) Such shares were held through a corporation which is 60% owned by Mr. Cheung Fong Wing and 20% owned by Ms. Luk Wai Kei, and their interests as disclosed are duplicated.

Save as disclosed above, the Company has no notice of any other interests to be recorded under Section 29 of the SDI Ordinance as of 30th June, 2000.

在新項目於明年初推出市場前，本集團的銷售活動將會集中於現有項目。由於未來項目規模龐大且地點優越，相信本集團於來年將能獲可觀的銷售收益，從而為本集團業務增長帶來良好機會。

審核委員會

由全部三名獨立非執行董事組成的本公司審核委員會，已與管理層審議本集團所採納的會計原則及慣例及內部監管及財務申報事宜，包括審議截至二零零零年六月三十日止六個月的未經審核財務報表。

董事之權益

購股權

本公司設有購股權計劃，據此，本集團的僱員（包括執行董事）可獲授購股權以認購本公司的股份。於二零零零年六月三十日，本公司之執行董事謝世東先生擁有認購本公司股份之購股權個人權益。彼之權益載於下文：

授 予 日 期	於二零零零年 六月三十日之		每 股 行 使 價 港 元
	未 行 使 購 股 權 數 目		
一九九八年七月十四日	2,000,000		1.49
一九九九年一月十四日	1,000,000		0.61
一九九九年七月十四日	1,000,000		1.00
二零零零年一月十四日	1,000,000		0.75

公司證券

於二零零零年六月三十日，按照本公司根據證券（披露權益）條例（「披露權益條例」）第29條置存之登記冊所載，董事擁有本公司已發行股本的權益如下：

姓名	附註	實益持有的股數	
		個人	公司
朱孟依	(a)	–	637,500,000
歐偉建	(b)	–	37,500,000
張芳榮	(c)	–	38,000,000
陸維璣	(c)	–	38,000,000

附註：

- (a) 該等股份透過朱孟依先生全資擁有的公司及一間代理人公司持有。
- (b) 該等股份透過歐偉建先生全資擁有的公司持有。
- (c) 該等股份透過由張芳榮先生持有60%及陸維璣女士持有20%的公司持有，所披露彼等的權益乃屬重複。

除上文所披露者外，於二零零零年六月三十日，本公司並無獲悉任何其他根據披露權益條例第29條須予記錄的權益。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As of 30th June, 2000, the following entities had registered an interest in 10% or more of the issued share capital of the Company:

Name	Number of issued shares	Percentage holding
Sounda Properties Limited	637,500,000	63.75%

Save as disclosed above, no other person was recorded in the register kept by the Company under Section 16(1) of the SDI Ordinance as having an interest of 10% or more of the issued share capital of the Company.

YEAR 2000 ISSUE

The Group's computer systems entered into the new millennium satisfactorily. The Directors believe that the year 2000 related problems will have no material impact on the operations of 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, 2000, 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 are not appointed for a specific term. However, all Directors save the Chairman, Deputy Chairmen, and Managing Director are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-Laws of the Company.

PURCHASE, REDEMPTION AND SALE OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended 30th June, 2000.

By Order of the Board
Chu Mang Yee
Chairman

Hong Kong, 25th September, 2000

主要股東的權益

於二零零零年六月三十日，下列實體登記持有本公司已發行股本10%或以上的權益：

名稱	已發行股份數目	持股百分比
新達置業有限公司	637,500,000	63.75%

除上文所披露者外，於本公司根據披露權益條例第16(1)條規定置存的登記冊內，概無其他人士持有本公司已發行股本10%或以上的權益。

公元二千年問題

本集團之電腦系統已順利過渡千禧年。董事會相信有關公元二千年的問題不會對本集團之營運造成任何實質影響。

最佳應用守則

除並無規定獨立非執行董事的特定任期外，概無董事得悉任何資料足以合理顯示本公司現正或於截至二零零零年六月三十日止六個月任何時間曾不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。然而，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股東週年大會上輪流退任及重選。

購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司概無於截至二零零零年六月三十日止六個月內購買、贖回或出售本公司任何上市證券。

承董事會命
朱孟依
主席

香港，二零零零年九月二十五日

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