



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

Hopson Announces 2023 Interim Results

***Gross profit and underlying profit increase significantly by 75% and 183% respectively
Capital structure is continuously optimized***

Financial Highlights

(For the six months ended 30 June 2023)

- Turnover was HK\$15,080 million, up 15% YoY
- Gross profit was HK\$5,377 million, up 75% YoY
- Gross profit margin up 13 p.p. YoY to 36%
- Underlying profit was HK\$1,581 million, up 183% YoY
- Profit attributable to equity holders was HK\$3,903 million
- Basic and diluted earnings per share was HK\$1.132 per share
- Bonus issue of one new share for every ten existing shares

(29 August 2023 — Hong Kong) **Hopson Development Holdings Limited** (“Hopson” or the “Company”, which together with its subsidiaries, is referred to as the “Group”; stock code: 00754) has announced its unaudited interim results for the six months ended 30 June 2023 (the “Period”).

During the first half of 2023, the Group, as a high-quality living service operator with businesses in the entire value chain of the industry, proactively adapted to the far-reaching changes in the industry based on the principle of “stable development”. The Group integrated innovative thinking and technology empowerment to realize the simultaneous development of its five major business segments such as property development, commercial property business, Hooplife, investments and infrastructure, thereby injecting momentum into the Group’s growth and enabling it to surmount the economic cycle. Also, the Group adheres to the strategy of enhancing the quality of products and services to the mid-range and high-end standards, focusing on product differentiation and innovation. The high-quality land resources that the Group has built up has provided a solid foundation for its long-term development. In addition, the Group adheres to a prudent financial management strategy and ensures its sound financial position and liquidity by diversifying its financing channels. It also focuses on asset appreciation and financial stability, and strives for sustainable development.

During the Period, the Group’s turnover was HK\$15,080 million, representing a year-on-year increase of 15%. Gross profit amounted to HK\$5,377 million, representing a year-on-year increase of 75%. Gross profit margin increased by 13 percentage points year-on-year to 36%. The increase in gross profit margin was mainly attributable to the good performance of the property development and investment business of the Group. Profit attributable to equity holders was HK\$3,903 million. Excluding the effect of the after-tax gain of HK\$2,390 million from investment property revaluation, plus the after-tax donation of HK\$12 million and provision for impairment of properties under development for sale of HK\$56 million, the underlying profit amounted to HK\$1,581 million, representing an increase of 183%, compared with that for the same period of last year. The overall increase in the underlying profit for the Period was mainly attributable to the good performance of the property development business. Basic earnings per share were HK\$1.132. The board of directors (the “Board”) does not recommend the payment of any interim dividend for the six months ended 30 June 2023. In addition, the Board has proposed to allot bonus shares to shareholders of the Company at the ratio of one new share for every ten existing shares.

During the Period, the Group recorded total contracted sales of RMB16,062 million and delivered finished properties with a total gross floor area of 543,253 sq.m. The overall average selling price in respect of delivered and completed properties was RMB18,479 per sq.m., which increased by 27.0% compared with that for the same period of last year. The major projects delivered included Beijing Jinmao Palace Phase II (北京金茂府二期), MAHÁ Beijing (縵合北京), The Town of Hangzhou Bay (合生杭州灣國際新城) and Hopson International Garden (合生國際花園).

The Group has an abundant, high-quality land bank in tier-1 cities. As at 30 June 2023, the Group had a landbank of 28.35 million sq.m., in which 74% of the land bank earmarked for property development and 95% of the land bank reserved for the commercial property business were concentrated in tier-1 cities, laying a solid foundation for the Group's sustained profitability in the future.

During the Period, the Group has effectively managed its interest-bearing debt structure and its capital structure continued to improve. As at 30 June 2023, the Group's total liabilities were HK\$196,660 million, representing a decrease of 2% compared with that as at 31 December 2022, and the total interest-bearing debt decreased to HK\$91,426 million, down by 5% from that as at 31 December 2022. In particular, corporate credit bonds accounted for only 6% of the Group's total interest-bearing liabilities, and the Group did not have any outstanding credit bonds which were corporate bonds or medium-term notes on the onshore market.

As China's economy gradually returns to normal in the second half of 2023, it will gradually transition from a recovery to expansion with steady improvement in the quality of development. The Political Bureau of the Central Committee of the Communist Party of China has in a recent meeting explicitly stated for the first time that "it is imperative to adjust and improve the related policies in a timely manner to adapt to the significant changes in the relationship between supply and demand in the real estate market". This can herald increased support from the government's housing policies on the demand side in the second half of the year, and market confidence is expected to be boosted further. The nationals' desire to buy properties is expected to continue to increase, thus driving up sales on the property market.

The Group will continue to adhere to longtermism, maintain its prudent approach to business operation, and continue to enhance its profitability while ensuring financial security. The Group will closely monitor the market dynamics, seize the opportunities arising from a recovery in the industry, and continue to further develop the markets of the first- and second-tier core cities in the Bohai Rim, the Yangtze River Delta and the Greater Bay Area. It will keep contributing to urbanization and the transformation of the living environment with its high-quality products and services. All these aim at creating long-term value for shareholders and providing a model of high-quality, sustainable development for the industry.

- End -

For further information, please contact:

iPR Ogilvy

Callis Lau / Emily Chiu / Joann Fang / Tim Tin

Tel: 2136 6952 / 3920 7659 / 3920 7619 / 3920 7654

Email: hopson@iprogilvy.com