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合 生 創 展 集 團 有 限 公 司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 754)

website: <http://www.irasia.com/listco/hk/hopson>

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

FINANCIAL HIGHLIGHTS

(for the six months ended 30 June 2023)

- Turnover was HK\$15,080 million.
- 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.

BUSINESS REVIEW

Industry overview

In the first half of 2023, the global economic recovery was sluggish, and global inflation remained high. China's economy showed strong resilience despite a complex and severe external environment. As the domestic economic and social development fully returned to normal and macro policies took effect, the Gross Domestic Product of China for the first half of the year realised year-on-year growth, and the overall economic operation rebounded.

* For identification purposes only

During the first half of 2023, the easing policy environment for the real property sector since the end of 2022 continued on the whole, such policies include adhering to the five-in-one coordinated efforts of “promoting demand, preventing risks, protecting people’s livelihood, shifting models, and regulating the operation” to reasonably support the rigid and improved housing demand. In the first quarter of 2023, the real estate market became more active due to factors such as the concentrated release of pent-up demand and the effects of the previous policies. In the second quarter of 2023, the market was under pressure to make adjustments after the release of the initial pent-up demand generally. Under the overall easing and supportive policy environment, risks have been gradually eliminated, market expectations have been steadily remedied, and the industry is in a stage of moderate recovery.

The Group has always proactively adapted to the far-reaching changes in the industry based on the foundation of “stable development”. As a high-quality life operator in the entire industry chain, the Group integrates innovative thinking and technology empowerment to realise the simultaneous development of its five major segments of real estate, commercial, hooplife, investments and infrastructure, thereby injecting growth momentum into the Group and growing its capability to span the life cycles. The Group adheres to the strategy of mid-to-high-end premium quality, focusing on product differentiation and innovation. The Group’s accumulation of high-quality land resources has provided a solid foundation for its long-term development. In addition, the Group adheres to a prudent financial management strategy and ensures the safety and liquidity of funds through diversified financing channels, while focusing on asset appreciation and financial stability, and striving for sustainable development.

Contracted sales performance

Properties sold under sale and pre-sale contracts in the first half of 2023 amounted to RMB16,062 million (2022: RMB16,860 million), of which contracted sales of properties amounted to RMB15,567 million (2022: RMB15,462 million) and contracted sales of decoration amounted to RMB495 million (2022: RMB1,398 million). Further details are as follows:

- In Guangzhou, a total gross floor area (“GFA”) of 170,929 square metres (2022: 214,385 square metres) with a carrying value of RMB4,396 million (2022: RMB3,685 million) were sold. The increase in sales was mainly attributable to the good sales of Hopson YUNĒ in Guangzhou (廣州合生縵雲) and Hopson Hushan Guoji Villa (合生湖山國際).
- In Huizhou, a total GFA of 34,213 square metres (2022: 49,483 square metres) with a carrying value of RMB360 million (2022: RMB423 million) were sold. The decrease in sales area and sales was mainly attributable to the fact that the units being sold in the first half of the year were leftover units.
- In Shanghai, a total GFA of 90,946 square metres (2022: 116,777 square metres) with a carrying value of RMB5,620 million (2022: RMB1,628 million) were sold. The increase in sales was mainly attributable to the sales of Hopson Binjiang Court (合生濱江苑), which reached RMB4,828 million in the first half of the year.

In Beijing and Tianjin, a total GFA of 141,479 square metres (2022: 314,651 square metres) with a carrying value of RMB5,686 million (2022: RMB11,124 million) were sold. The decrease in sales was mainly attributable to units being sold in the first half of the year were leftover units.

Properties sold but yet to be delivered

As at 30 June 2023, the GFA in respect of which the Group had entered into sale and pre-sale contracts and yet to be delivered to buyers were 1,877,112 square metres (31 December 2022: 2,062,426 square metres). Following the delivery of these properties, the proceeds received therefrom totalling HK\$46,927 million will be recognised as revenue in the Group's financial statements in the second half of 2023 and thereafter.

Delivery of properties

A total GFA of 543,253 square metres (2022: 473,022 square metres) were delivered in the first half of 2023.

Project development progress

- A total GFA of approximately 833,865 square metres were completed in the first half of 2023.
- A total GFA of approximately 2,063,462 square metres are expected to be completed in the second half of 2023.

Landbank

As of 30 June 2023, the Group had a landbank of 28.35 million square metres (31 December 2022: 28.72 million square metres).

Outlook

Despite the short-term fluctuations in economic growth, the long-term positive growth potential of China's economy remain unchanged, and its characteristics of "strong resilience, great potential and sufficient vitality" which support high-quality development continue. As the economic operation gradually returns to the normal track, the future will see China gradually shift from restorative growth to expansionary growth with steady improvement in the quality of development.

At the recent meeting of the Political Bureau of the Central Committee, for the first time, it was explicitly stated 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", which signals that housing policies in the second half of the year are expected to increase the support on the demand side, market confidence is expected to be further boosted, and the willingness of residents to buy properties is expected to continue to improve, driving the sales of the real estate market.

The Group will continue to adhere to its long-term development approach, maintain prudent and steady business strategies, and continue to enhance its profitability on the basis of ensuring financial security. The Group will pay close attention to the market dynamics, seize the opportunities arising from industry recovery, and continue to make in-depth development in the first- and second-tier core cities in the Bohai Rim, the Yangtze River Delta and the Greater Bay Area to contribute to urbanisation and living environment transformation with high-quality products and services, to create long-term value for shareholders, and to build a high-quality sustainable development model for the industry.

The board (the "Board") of directors (the "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 30 June 2023 together with the comparative figures for the previous period.

The interim financial information of the Company for the six months ended 30 June 2023 has been reviewed by the Company's audit committee and the Board.

CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	Six months ended	
		30 June	
		2023	2022
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenues	4	15,079,851	13,170,426
Cost of sales	6	<u>(9,702,616)</u>	<u>(10,105,998)</u>
Gross profit		5,377,235	3,064,428
Fair value gain on investment properties		2,985,763	7,757,329
Other gains, net	5	6,783	245,041
Selling and marketing expenses	6	(854,859)	(438,158)
General and administrative expenses	6	(996,876)	(1,328,838)
Finance income	7	235,011	311,068
Finance costs	7	(694,228)	(855,531)
Share of loss of associates		(32,480)	(70,390)
Share of profit/(loss) of joint ventures		<u>161,496</u>	<u>(1,864)</u>
Profit before taxation		6,187,845	8,683,085
Taxation	8	<u>(1,712,613)</u>	<u>(2,381,645)</u>
Profit for the period		<u>4,475,232</u>	<u>6,301,440</u>
Attributable to:			
Equity holders of the Company		3,902,818	6,389,859
Non-controlling interests		<u>572,414</u>	<u>(88,419)</u>
		<u>4,475,232</u>	<u>6,301,440</u>
Earnings per share for profit attributable to equity holders of the Company during the period (in HK\$ per share)			
— basic and diluted	9	<u>1.132</u>	<u>1.853*</u>
Dividends	10	<u>—</u>	<u>—</u>

* Adjusted for the bonus shares issued on 29 July 2022, 15 December 2022 and 28 July 2023.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	
	30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit for the period	4,475,232	6,301,440
Other comprehensive (loss)/income:		
Items that may be reclassified subsequently to profit or loss:		
Assets revaluation reserve realised upon disposal of completed properties held for sale	(4,249)	(22,669)
Deferred tax	2,066	11,022
Currency translation differences	(3,339,613)	(4,930,196)
Item that will not be reclassified subsequently to profit or loss:		
Fair value (loss)/gain on financial assets at fair value through other comprehensive income	(280,588)	2,426
Deferred tax	51,635	40,651
Share of other comprehensive income of associates	60,374	—
Currency translation differences	(171,740)	(732,344)
Other comprehensive loss for the period, net of tax	(3,682,115)	(5,631,110)
Total comprehensive income for the period	793,117	670,330
Attributable to:		
Equity holders of the Company	392,443	1,491,093
Non-controlling interests	400,674	(820,763)
	793,117	670,330

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at	
	30 June 2023	31 December 2022
<i>Note</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
ASSETS		
Non-current assets		
Prepayments for acquisition of land	115,383	119,091
Loan receivables	463,254	1,420,936
Properties and equipment	3,576,403	3,873,735
Investment properties	87,091,477	83,834,452
Intangible assets	393,196	417,742
Investments in associates	8,551,027	8,516,836
Investments in joint ventures	8,860,403	8,678,918
Financial assets at fair value through other comprehensive income	3,265,770	3,562,352
Financial assets at fair value through profit or loss	1,156,337	1,189,119
Finance lease receivables	107,927	113,294
Right-of-use assets	1,338,623	1,445,110
Prepayments, deposits and other non-current assets	470,236	467,805
Deferred tax assets	1,663,701	1,853,410
	117,053,737	115,492,800
Current assets		
Prepayments for acquisition of land	21,425,373	27,416,412
Properties under development for sale	77,704,348	77,711,099
Completed properties for sale	36,154,398	36,501,625
Financial assets at fair value through profit or loss	1,241,703	1,453,398
Accounts receivable	4,380,875	4,622,198
Loan receivables	2,866,711	2,611,858
Prepayments, deposits and other current assets	12,915,690	11,595,603
Due from joint ventures	1,019,978	927,212
Due from associates	336,236	347,043
Due from related companies	15,459	21,402
Contract acquisition costs	1,721,434	1,619,534
Cash and bank balances	18,996,650	18,394,217
	178,778,855	183,221,601
Total assets	295,832,592	298,714,401

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

		As at	
		30 June 2023	31 December 2022
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Audited)
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		287,314	287,314
Reserves		93,254,889	92,862,446
		<u>93,542,203</u>	<u>93,149,760</u>
Non-controlling interests		5,630,186	5,228,406
Total equity		<u>99,172,389</u>	<u>98,378,166</u>
LIABILITIES			
Non-current liabilities			
Land cost payable		515,170	531,728
Borrowings	12	62,288,597	71,607,058
Lease liabilities		554,009	587,005
Due to non-controlling interests		1,490,216	1,905,747
Deferred tax liabilities		14,317,295	14,045,565
		<u>79,165,287</u>	<u>88,677,103</u>
Current liabilities			
Accounts payable, accruals and other payables	13	31,334,619	31,121,224
Borrowings	12	29,137,585	24,920,398
Margin loans		882,886	1,025,082
Contract liabilities		46,927,250	45,175,820
Lease liabilities		43,117	56,973
Due to associates		630,864	540,270
Due to related companies		825,870	473,233
Due to joint ventures		1,349,907	1,520,198
Current tax liabilities		6,362,818	6,825,934
		<u>117,494,916</u>	<u>111,659,132</u>
Total liabilities		<u>196,660,203</u>	<u>200,336,235</u>
Total equity and liabilities		<u>295,832,592</u>	<u>298,714,401</u>
Net assets		<u>99,172,389</u>	<u>98,378,166</u>

Notes:

(1) GENERAL INFORMATION

Hopson Development Holdings Limited (the “Company”) and its subsidiaries (together “the Group”) are mainly engaged in the development of residential properties, commercial properties investment, property management and infrastructure business in Mainland China, and investments business.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated, and has been approved for issue by the Board of Directors on 29 August 2023.

(2) BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022.

(3) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

- (a) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.
- (b) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have material impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

(4) SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) the property development segment engages in the development and sale of properties;
- (b) the commercial properties investment segment engages in the investments in properties for their rental income potential and/or for capital appreciation;
- (c) the property management segment engages in the provision of property management services;
- (d) the infrastructure segment engages in construction, design and renovation services in Mainland China; and
- (e) the investments segment engages in the investments in private equity investments and listed equity investments relating to high and new technology and medical science.

Geographically, the property development segment and commercial properties investment segment are further segregated into three main geographical areas, namely Southern China (SC) (including Guangzhou, Huizhou, Zhongshan, Yangshuo and Hong Kong), Northern China (NC) (including Beijing, Tianjin, Dalian, Taiyuan, Langfang and Qinhuangdao) and Eastern China (EC) (including Shanghai, Hangzhou, Kunshan, Ningbo, Cixi and Taicang).

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that finance income and costs, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets as these assets are managed on a group basis.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The segment results by business lines and, where applicable, by geographical areas for the six months ended 30 June 2023 (unaudited) are as follows:

	Property development			Commercial properties investment			Property management			Infrastructure	Investments	Group
	SC	EC	NC	SC	EC	NC						
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
For the six months ended 30 June 2023												
Total revenues	1,251,181	4,042,556	6,379,752	374,637	669,693	1,202,965	882,561	3,562,882	91,496	18,457,723		
Intra/inter-segment revenues	(312,217)	(1,039)	(39,989)	(25,959)	(34,344)	(97,875)	(168,675)	(2,683,622)	(14,152)	(3,377,872)		
Revenues	<u>938,964</u>	<u>4,041,517</u>	<u>6,339,763</u>	<u>348,678</u>	<u>635,349</u>	<u>1,105,090</u>	<u>713,886</u>	<u>879,260</u>	<u>77,344</u>	<u>15,079,851</u>		
Segment results	56,318	692,081	1,126,325	686,625	2,417,934	1,104,181	52,763	480,728	44,211	6,661,166		
Unallocated corporate expenses (including exchange loss), net										(14,104)		
Finance income										235,011		
Finance costs										(694,228)		
Profit before taxation										6,187,845		
Taxation										(1,712,613)		
Profit for the period										<u>4,475,232</u>		
Depreciation of properties and equipment	(36,991)	(31,216)	(7,921)	(3,078)	(18,665)	(60,341)	(1,562)	(1,128)	(7)	(160,909)		
Depreciation of right-of-use assets	(17,163)	(2,047)	(2,213)	(1,903)	(8,204)	(4,536)	(226)	(3,348)	—	(39,640)		
Provision for impairment of financial assets	(9,436)	—	—	—	—	—	(13,676)	—	—	(23,112)		
Provision for impairment of properties under development for sale	—	(55,914)	—	—	—	—	—	—	—	(55,914)		
Fair value gain on investment properties	—	—	—	256,571	2,041,576	687,616	—	—	—	2,985,763		
Share of loss of associates	(2,447)	—	(3,062)	—	—	—	(26,701)	—	(270)	(32,480)		
Share of (loss)/profit of joint ventures	(40,726)	—	(673)	202,895	—	—	—	—	—	161,496		

The segment results by business lines and, where applicable, by geographical areas for the six months ended 30 June 2022 (unaudited) are as follows:

	Property development			Commercial properties investment			Property management	Infrastructure	Investments	Group
	SC	EC	NC	SC	EC	NC				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the six months ended 30 June 2022										
Total revenues	1,532,796	2,166,313	6,003,916	507,414	696,290	994,303	1,727,618	5,473,931	(1,817,341)	17,285,240
Intra/inter-segment revenues	(274,575)	(7,912)	(138,271)	(94,926)	(41,111)	(96,466)	(240,234)	(3,219,087)	(2,232)	(4,114,814)
Revenues	<u>1,258,221</u>	<u>2,158,401</u>	<u>5,865,645</u>	<u>412,488</u>	<u>655,179</u>	<u>897,837</u>	<u>1,487,384</u>	<u>2,254,844</u>	<u>(1,819,573)</u>	<u>13,170,426</u>
Segment results	100,462	476,409	783,198	146,959	8,360,092	374,934	(34,306)	791,505	(1,845,992)	9,153,261
Unallocated corporate expenses (including exchange gain), net										74,287
Finance income										311,068
Finance costs										(855,531)
Profit before taxation										8,683,085
Taxation										(2,381,645)
Profit for the period										<u>6,301,440</u>
Depreciation of properties and equipment	(41,875)	(802)	(15,420)	(2,752)	(17,548)	(37,289)	(2,176)	(896)	(8)	(118,766)
Depreciation of right-of-use assets	(18,806)	(2,796)	(2,307)	(2,064)	(9,148)	(4,994)	(1,908)	(4,822)	—	(46,845)
Provision for impairment of financial assets	—	—	—	—	—	—	(12,580)	—	—	(12,580)
Fair value (loss)/gain on investment properties	—	—	—	(118,755)	7,969,854	(93,770)	—	—	—	7,757,329
Share of profit/(loss) of associates	1,185	—	(18,678)	—	—	—	(6,774)	—	(46,123)	(70,390)
Share of (loss)/profit of joint ventures	(24,793)	(70)	—	22,999	—	—	—	—	—	(1,864)

The segment assets by business lines and, where applicable, by geographical areas as at 30 June 2023 (unaudited) are as follows:

	Property development			Commercial properties investment			Property management	Infrastructure	Investments	Group
	SC	EC	NC	SC	EC	NC				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 30 June 2023	52,247,560	47,084,283	73,583,736	23,484,139	32,706,114	41,977,151	4,293,931	4,439,348	14,352,629	294,168,891
Deferred tax assets										<u>1,663,701</u>
Total assets										<u>295,832,592</u>
Segment assets include:										
Investments in associates	265,291	—	2,099,669	—	—	—	1,207,866	—	4,978,201	8,551,027
Investments in joint ventures	<u>2,504,351</u>	<u>—</u>	<u>11,283</u>	<u>6,344,769</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,860,403</u>
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>99,691</u>	<u>50</u>	<u>1,677</u>	<u>275,715</u>	<u>2,896,266</u>	<u>87,940</u>	<u>2,294</u>	<u>91</u>	<u>—</u>	<u>3,363,724</u>

The segment assets by business lines and, where applicable, by geographical areas as at 31 December 2022 (audited) are as follows:

	Property development			Commercial properties investment			Property management	Infrastructure	Investments	Group
	SC	EC	NC	SC	EC	NC				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 December 2022	51,711,292	49,063,030	76,899,205	23,489,184	28,930,309	42,477,879	4,295,194	4,447,123	15,547,775	296,860,991
Deferred tax assets										<u>1,853,410</u>
Total assets										<u>298,714,401</u>
Segment assets include:										
Investments in associates	22,483	—	2,170,264	—	—	—	1,212,473	—	5,111,616	8,516,836
Investments in joint ventures	<u>2,552,335</u>	<u>—</u>	<u>10,884</u>	<u>6,115,699</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,678,918</u>
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>453,262</u>	<u>163</u>	<u>17,859</u>	<u>62,851</u>	<u>234,580</u>	<u>185,947</u>	<u>7,086</u>	<u>4,140</u>	<u>—</u>	<u>965,888</u>

(a) Revenue from external customers

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from property development	11,320,244	9,282,267
Revenue from commercial properties investment	2,089,117	1,965,504
Property management income	713,886	1,487,384
Infrastructure income	879,260	2,254,844
Investments income/(losses)	77,344	(1,819,573)
	<u>15,079,851</u>	<u>13,170,426</u>

(b) Non-current assets

As at 30 June 2023 and 31 December 2022, non-current assets were mainly located in Mainland China.

(5) OTHER GAINS, NET

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net foreign exchange (losses)/gains	(2,807)	82,104
Changes in fair value of derivative financial instruments	—	117,990
Others	9,590	44,947
	<u>6,783</u>	<u>245,041</u>

(6) EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses and general and administrative expenses are analysed as follows:

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Advertising and promotion costs	238,198	161,349
Cost of completed properties sold	7,930,361	6,782,523
Cost of property management business	611,451	1,396,013
Cost of commercial properties business	763,029	484,552
Cost of infrastructure business	376,629	1,417,877
Depreciation of properties and equipment	160,909	118,766
Amortisation of intangible assets	35,179	30,762
Depreciation of right-of-use assets	39,640	46,845
Direct operating expenses arising from investment properties	220,779	146,087
Employees' benefits costs (including directors' emoluments)	763,090	1,021,366
— Wages and salaries	632,992	852,567
— Pension scheme contributions	130,098	168,799
Loss on disposals of properties and equipment and right-of-use assets	2,339	14,056
Short-term and low-value assets lease expenses*	2,127	1,327
Provision for impairment of financial assets	23,112	12,580
Provision for impairment of properties under development for sale	55,914	—
Donation	16,527	14,587

* These lease expenses are directly charged to general and administrative expenses and are not included in the measurement of lease liabilities under HKFRS 16.

(7) FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Finance income		
Interest income on bank deposits, advance to a joint venture and loan receivables	235,011	311,068
Finance costs		
Interest expense and other borrowing costs:		
— loans from banks and financial institutions	(2,592,982)	(3,355,068)
— senior notes, convertible bonds, asset-backed securities and commercial mortgage-backed securities	(387,740)	(743,056)
Total borrowing costs incurred	(2,980,722)	(4,098,124)
Less: Amount capitalised as part of the cost of properties under development, investment properties under development and construction-in-progress	2,286,494	3,242,593
	(694,228)	(855,531)
Net finance costs	(459,217)	(544,463)

(8) TAXATION

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong profits tax	66,964	59,699
Mainland China corporate income tax	300,810	1,117,657
Mainland China land appreciation tax	436,738	(252,912)
	<u>804,512</u>	<u>924,444</u>
Deferred tax	<u>908,101</u>	<u>1,457,201</u>
	<u>1,712,613</u>	<u>2,381,645</u>

Hong Kong profits tax has been provided at 16.5% on the estimated assessable profit for the six months ended 30 June 2023 (2022: 16.5%).

Subsidiaries established and operated in Mainland China are subject to Mainland China corporate income tax at the rate of 25% for the six months ended 30 June 2023 (2022: 25%). Dividend distribution made by Mainland China subsidiaries and joint ventures to shareholders outside of Mainland China in respect of their profits earned after 1 January 2008 is subject to withholding income tax at tax rate of 5% or 10%, where applicable.

Mainland China land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land, development and construction expenditure.

(9) EARNINGS PER SHARE

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to equity holders of the Company, and the weighted average number of ordinary shares of 3,447,764,000 (2022: 3,447,764,000, as restated) in issue during the period, as adjusted to reflect the bonus issue on 28 July 2023.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2023 and 2022. The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Profit attributable to equity holders of the Company (HK\$'000)	3,902,818	6,389,859
Weighted average number of ordinary shares in issue ('000)	3,447,764	3,447,764*
Basic and diluted earnings per share (HK\$ per share)	<u>1.132</u>	<u>1.853**</u>

* The weighted average number of ordinary shares has been retrospectively adjusted for the effect of the bonus shares issued on 29 July 2022, 15 December 2022 and 28 July 2023.

** For the six months ended 30 June 2022, the calculation of basic and diluted earnings per share does not include contingently issuable ordinary shares from convertible bonds until the end of the contingency period because not all necessary conditions have been satisfied. Therefore, the diluted earnings per share amounts are based on the profit attributable to equity holders of the Company for the period of HK\$6,389,859,000 and the weighted average number of ordinary shares of 3,447,764,000 in issue during the period, as adjusted for the effect of the bonus shares issued mentioned above.

(10) DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2023 (30 June 2022: HK\$Nil).

(11) ACCOUNTS RECEIVABLE

The ageing analysis of accounts receivable (including amounts due from related companies of trading in nature) is as follows:

	As at	
	30 June	31 December
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
0 to 3 months	726,190	687,725
3 to 6 months	332,211	256,087
6 to 9 months	150,044	522,040
9 to 12 months	114,316	109,614
Over 12 months	3,058,114	3,046,732
	<u>4,380,875</u>	<u>4,622,198</u>

The carrying value of accounts receivable approximates their fair values. The accounts receivable is related to a number of independent customers and related parties, and are denominated in Renminbi.

(12) BORROWINGS

	As at	
	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Non-current		
Bank and financial institution borrowings	54,391,834	59,520,917
Commercial mortgage-backed securities (<i>note (a)</i>)	7,896,763	9,760,873
Senior notes (<i>note (b)</i>)	—	2,325,268
	<u>62,288,597</u>	<u>71,607,058</u>
Current		
Bank and financial institution borrowings	22,740,533	20,340,493
Commercial mortgage-backed securities (<i>note (a)</i>)	2,192,835	784,757
Senior notes (<i>note (b)</i>)	4,204,217	1,845,961
Convertible bonds (<i>note (c)</i>)	—	1,949,187
	<u>29,137,585</u>	<u>24,920,398</u>
	<u>91,426,182</u>	<u>96,527,456</u>

Notes:

- (a) In September 2020, the Group issued 3.85% commercial mortgage-backed securities. The securities will mature in 2041 and are repayable at their nominal value of RMB700,000,000 according to pre-determined schedule from 2020 to 2041. The Group has the right to redeem all the securities at pre-determined points in time; the investors are also entitled to sell back the securities to the Group on the same dates. As at 30 June 2023, the carrying value of the securities (including arrangement fees) amounted to HK\$719,105,000 (31 December 2022: HK\$745,016,000), and the securities are secured by an investment property of approximately HK\$1,144,276,000 (31 December 2022: HK\$1,091,495,000) and the rental income/receivables deriving from the investment property.

In March 2021, the Group issued 4.80% and 5.30% commercial mortgage-backed securities. The securities will mature in 2039 and are repayable at their nominal value of RMB1,410,000,000 according to pre-determined schedule from 2021 to 2039. The Group has the right to redeem all of the securities at pre-determined points in time; the investors are also entitled to sell back the securities to the Group on the same dates. As at 30 June 2023, the carrying value of the securities (including arrangement fees) amounted to HK\$1,433,871,000 (31 December 2022: HK\$1,484,993,000), and the securities are secured by an investment property of approximately HK\$1,911,923,000 (31 December 2022: HK\$1,921,809,000) and the rental income/receivables deriving from the investment property.

In July 2021, the Group issued 4.35% commercial mortgage-backed securities. The securities will mature in 2039 and are repayable at their nominal value of RMB8,000,000,000 according to pre-determined schedule from 2021 to 2039. The Group has the right to redeem all of the securities at pre-determined points in time; the investors are also entitled to sell back the securities to the Group on the same dates. As at 30 June 2023, the carrying value of the securities (including arrangement fees) amounted to HK\$7,936,622,000 (31 December 2022: HK\$8,315,621,000), and the securities are secured by an investment property of approximately HK\$13,691,186,000 (31 December 2022: HK\$13,740,526,000) and the rental income and receivables deriving from the investment property.

- (b) In May 2021, the Group issued 7.00% senior notes. The notes are unsecured, will mature in May 2024 and are repayable at their nominal value of US\$300,000,000. The Group may redeem all or a portion of the notes at the redemption prices specified in the offering circular after the drawdown date, plus accrued and unpaid interests to the redemption date, subject to the terms and conditions specified in the offering circular. As at 30 June 2023, the carrying value of the securities (including arrangement fees) amounted to HK\$2,342,380,000 (31 December 2022: HK\$2,325,268,000).

In June 2021, the Group issued 6.80% senior notes. The notes are unsecured, will mature in December 2023 and are repayable at their nominal value of US\$200,000,000. In July 2021, the Group entered into a purchase agreement in connection with the additional issue of nominal value of US\$37,500,000 of the 6.80% senior notes due 2023. Upon the completion of the additional issue, the Group has an aggregate outstanding nominal value of US\$237,500,000 of the 6.80% senior note due 2023. The Group may redeem all or a portion of the notes at the redemption prices specified in the offering circular after the drawdown date, plus accrued and unpaid interests to the redemption date, subject to the terms and conditions specified in the offering circular. As at 30 June 2023, the carrying value of the securities (including arrangement fees) amounted to HK\$1,861,837,000 (31 December 2022: HK\$1,845,961,000).

- (c) In January 2022, the Group issued US\$250,000,000 in aggregate principal amount of 8.00% guaranteed convertible bonds due in January 2023. The bond holder has an option to convert the bonds into the shares of the Company with the issue price being 100% of the principal amount between 20 December 2022 to 21 December 2022 (both dates inclusive) and up to the close of business of 21 December 2022. Interest on the bonds is paid quarterly at the rate of 8.00% per annum payable in arrear on 6 April 2022, 6 July 2022, 6 October 2022 and 6 January 2023. The bonds were redeemed by the Group upon maturity in January 2023 in full amount.

(13) ACCOUNTS PAYABLE, ACCRUALS AND OTHER PAYABLES

Ageing analysis of accounts payable (including amounts due to related companies of trading in nature) is as follows:

	As at	
	30 June	31 December
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
0 to 3 months	3,636,477	3,734,864
3 to 6 months	2,546,977	1,792,028
6 to 9 months	1,221,792	1,430,044
9 to 12 months	808,262	935,259
Over 12 months	7,582,025	9,210,757
	<u>15,795,533</u>	<u>17,102,952</u>

Accounts payable are denominated in Renminbi. The carrying value of accounts payable approximates their fair values.

DIVIDEND

The Group remains cautiously optimistic about the prospects of the real estate and property development markets in the PRC. The Board considers that it would be prudent to preserve cash and strengthen liquidity position for the Group's upcoming business development and plans under the current market conditions. After careful and thorough consideration, the Board does not recommend the payment of any interim dividend for the six months ended 30 June 2023. No interim dividend was declared for the six months ended 30 June 2022.

BONUS ISSUE OF SHARES

The Board has proposed to, subject to shareholders' approval, make a bonus issue of one new share for every ten existing shares held by shareholders whose names are on the register of members of the Company at the close of business on Friday, 10 November 2023 ("Bonus Issue"). Further details of the Bonus Issue, including the relevant details of the special general meeting to be convened and held to consider, and if thought fit, approve the Bonus Issue, will be announced by the Company in due course.

FINANCIAL REVIEW

Turnover

(i) Recognised Sales

For the first six months of 2023, the Group recorded a turnover of RMB13,687 million (HK\$15,080 million), which increased by 24.2% (denominated in RMB) and increased by 14.5% (denominated in HK\$) as compared to RMB11,016 million (HK\$13,170 million) for the first six months of 2022. In respect of property development business, a total GFA of 543,253 square metres (2022: 473,022 square metres) were delivered in the first half of 2023. The overall average selling price in respect of delivered and completed properties for the first six months of 2023 was RMB18,479 per square metre (2022: RMB14,551 per square metre), which increased by 27.0% as compared to 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).

(ii) Contracted Sales

The Group recorded total contracted sales of RMB16,062 million (2022: RMB16,860 million) for the first six months of 2023. In particular, contracted sales of properties amounted to approximately RMB15,567 million, representing a period-on-period increase of approximately 1% as compared with approximately RMB15,462 million for the same period of 2022; contracted sales of decoration amounted to approximately RMB495 million, representing a period-on-period decrease of approximately 65% as compared with approximately RMB1,398 million for the same

period of 2022. Affected by the product structure of sales, the average selling price of contracted sales of properties was RMB35,576 per square metre, representing a period-on-period increase of approximately 60% as compared with RMB22,238 per square metre for the same period of 2022.

In the first half of 2023, Guangzhou and Huizhou had in total twenty-two projects on sale and the contracted sales amounted to RMB4,756 million, representing 30% of the total contracted sales of the Group. The major projects were Hopson YUNĒ in Guangzhou (廣州合生縵雲), Hopson Hushan Guoji Villa (合生湖山國際) and Hopson Yunshan Regal (合生雲山帝景).

There were fifteen property projects on sale in Shanghai, mainly comprising Hopson Binjiang Court (合生濱江苑), Hopson Dongjiao Villa (合生東郊別墅) and The Town of Hangzhou Bay (合生杭州灣國際新城). Contracted sales of Shanghai amounted to RMB5,620 million, representing 35% of the total contracted sales of the Group.

The combined contracted sales of Beijing and Tianjin were RMB5,686 million, representing 35% of the total contracted sales of the Group. Sixteen projects in total were on sale in Beijing and Tianjin, of which MAHÁ Beijing (縵合北京), Hopson YUNĒ (合生縵雲) and Hopson MIYĀ (合生me悅) were the major sales contributors.

Gross Profit

Gross profit for the first half of 2023 amounted to HK\$5,377 million (2022: HK\$3,064 million) with a gross profit margin percentage of 36% (2022: 23%). The increase in gross profit margin percentage was mainly attributable to the good performance of the property development and investment business of the Group.

Fair Value Gain on Investment Properties

Fair value gain on investment properties for the six months ended 30 June 2023 amounted to HK\$2,986 million (2022: HK\$7,757 million). As at 30 June 2023, the Group owns 20 (31 December 2022: 19) investment properties.

Other Gains, Net

Other gains for the six months ended 30 June 2023 amounted to HK\$7 million (2022: HK\$245 million), comprising (1) net exchange losses of HK\$3 million; and (2) other net gain of HK\$10 million.

Operating Costs

The operating costs relating to expenses for selling, marketing, general and administration increased by 5% to HK\$1,852 million in the first half of 2023 (2022: HK\$1,767 million). The increase was mainly due to higher advertising and promotion costs as compared to the same period of last year.

Finance Costs

Gross interest expenses before capitalisation for the first half of 2023 decreased to HK\$2,981 million (2022: HK\$4,098 million), down HK\$1,117 million or 27%. The decrease was primarily attributable to the decrease in borrowings during the first half of 2023 as compared to the same period of last year. The effective interest rate of the Group's borrowings for the first half of 2023 was approximately 6.2% per annum (2022: 6.5%).

Taxation

The effective tax rate was 27.7% for the first half of 2023, which increased by 0.3 percentage points as compared with the same period of last year.

Profit Attributable to Equity Holders of the Company

Profit attributable to equity holders was HK\$3,903 million for the first half of 2023 (2022: HK\$6,390 million). Basic and diluted earnings per share was HK\$1.13. During the period under review, excluding the effect of the net of tax gain from investment property revaluation of HK\$2,390 million, plus the net amount for net of 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 HK\$1,022 million, or 183%, as compared to the same period of last year. The overall increase of the underlying profit for the period was mainly attributable to the good performance of the property development segment.

Segment Information

Property development is an important business of the Group, contributing HK\$11,320 million to the Group's revenue, accounting for 75% of the Group's sales. Commercial property investment recorded revenue of HK\$2,089 million for the first half of 2023, accounting for 14% of the Group's sales. The total revenue from infrastructure business, property management and investments business amounted to HK\$1,671 million, accounting for 11% of the Group's sales.

Liquidity and Financial Position

As at 30 June 2023, total assets of the Group amounted to HK\$295,832 million and total liabilities came to HK\$196,660 million, representing a decrease of 1% and 2% respectively as compared to 31 December 2022.

The Group's current ratio as at 30 June 2023 was 1.52 (31 December 2022: 1.64). Equity as at 30 June 2023 increase by 1% to HK\$99,172 million from 31 December 2022. The net asset value ("NAV") per share as at 30 June 2023 was HK\$34.52.

As at 30 June 2023, the Group's liability-to-asset ratio (i.e. the ratio between total liabilities and total assets, excluding non-controlling interests) was 67% (31 December 2022: 67%).

As at 30 June 2023, the Group had cash and bank balances amounting to HK\$18,997 million (31 December 2022: HK\$18,394 million), of which approximately HK\$2 million (31 December 2022: HK\$2 million) was charged by certain banks in respect of the processing of mortgage facilities granted by the banks to the buyers of the Group's properties. 98.02% of the cash and bank balances were denominated in Renminbi, 0.90% in Hong Kong dollars, 1.07% in United States dollars and 0.01% in other currencies.

Total borrowings from banks and financial institutions amounted to HK\$77,132 million as at 30 June 2023, representing a decrease of 3% or HK\$2,729 million as compared to those as at 31 December 2022. Gearing ratio, measured by net bank and financial institution borrowings, senior notes, commercial mortgage-backed securities and convertible bonds (i.e. total bank and financial institution borrowings, senior notes, commercial mortgage-backed securities and convertible bonds less cash and bank balances) as a percentage of shareholders' equity, was 73% as at 30 June 2023 (decreased by 6 percentage points as compared with 79% as at 31 December 2022).

All of the bank and financial institution borrowings were either secured or covered by guarantees and substantially denominated in Renminbi with fixed interest rates.

All of the commercial mortgage-backed securities were secured and denominated in Renminbi.

All of the senior notes were unsecured and denominated in United States dollars.

All of the convertible bonds were unsecured and denominated in United States dollars.

All of the other borrowings were unsecured and substantially denominated in Renminbi.

The Group's borrowings repayment profile as at 30 June 2023 was as follows:

(HK\$ million)	As at 30 June 2023						As at 31 December 2022						
	Bank and financial institution borrowings	Commercial mortgage-backed securities	Senior notes	Other borrowings	Total	Percentage	Bank and financial institution borrowings	Commercial mortgage-backed securities	Senior notes	Convertible bonds	Other borrowings	Total	Percentage
Within one year	22,741	2,193	4,204	2,807	31,945	34%	20,340	785	1,846	1,949	2,534	27,454	28%
One to two years	14,136	7,897	—	—	22,033	23%	14,746	9,761	2,325	—	—	26,832	27%
Two to five years	19,922	—	—	—	19,922	21%	21,587	—	—	—	—	21,587	22%
After 5 years	20,333	—	—	—	20,333	22%	23,188	—	—	—	—	23,188	23%
Total	77,132	10,090	4,204	2,807	94,233		79,861	10,546	4,171	1,949	2,534	99,061	
Less: Total cash and bank balances					(18,997)							(18,394)	
Net borrowings					<u>75,236</u>							<u>80,667</u>	

As at 30 June 2023, the Group had banking facilities of approximately HK\$207,403 million (31 December 2022: HK\$217,745 million) for short-term and long-term bank loans, of which HK\$115,977 million (31 December 2022: HK\$121,218 million) were unutilised.

Charge on Assets

As at 30 June 2023, certain assets of the Group with an aggregate carrying value of HK\$82,853 million (31 December 2022: HK\$80,138 million) and the Group's equity interests in subsidiaries of HK\$11,513 million (31 December 2022: HK\$11,903 million) were pledged with banks and financial institutions for loan facilities used by subsidiaries.

Financial Guarantees

As at 30 June 2023, the Group provided guarantees to banks for mortgage facilities granted to buyers of the Group's properties which amounted to HK\$17,562 million (31 December 2022: HK\$20,170 million).

FOREIGN EXCHANGE FLUCTUATIONS

The Group earns revenue and incurs costs and expenses mainly in Renminbi and is exposed to foreign exchange fluctuation arising from the exposure of Renminbi against Hong Kong dollar and US dollar. However, the Directors do not anticipate any significant foreign exchange loss as a result of changes in exchange rate between Hong Kong dollar, US dollar and Renminbi in the foreseeable future.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the six months ended 30 June 2023.

EMPLOYEES

As at 30 June 2023, the Group, excluding its associates and joint ventures, employed a total of 10,375 (as at 31 December 2022: 10,482) staff members, the majority of which were employed in Mainland China. Employees' costs (including Directors' emoluments) amounted to HK\$763 million for the six months ended 30 June 2023 (for the six months ended 30 June 2022: HK\$1,021 million). The remuneration policies remained the same as disclosed in the Annual Report for the year ended 31 December 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the six months ended 30 June 2023.

CORPORATE GOVERNANCE

During the six months ended 30 June 2023, the Company has complied with the code provisions set out in Part 2 of the Corporate Governance Code (“CG Code”) contained in Appendix 14 of the Listing Rules except for the code provision F.2.2 as described below.

Code provision F.2.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. The Chairman of the Board did not attend the annual general meeting for the year 2023 (“2023 AGM”) due to her other business commitment.

Mr. Xie Bao Xin, an executive Director who chaired the 2023 AGM, together with other Directors who attended the 2023 AGM were available to answer questions at the meeting to ensure effective communication with the shareholders of the Company. Despite her absence at the 2023 AGM, the Chairman of the Board had reviewed all relevant documents of the 2023 AGM before the meeting, and all records and minutes of the 2023 AGM were circulated to her after the meeting for her information.

FULL REDEMPTION AT MATURITY OF CONVERTIBLE BONDS

On 10 January 2022, the Company issued US\$250 million in aggregate principal amount of 8.00% guaranteed convertible bonds due 2023 (the “Bonds”) under specific mandate. The Bonds were guaranteed by certain wholly-owned subsidiaries of the Company. The Bonds would be convertible into ordinary shares of the Company upon conversion. The Bonds had been listed on the Stock Exchange since 11 January 2022 (stock code of the Bonds: 04312), and matured on 6 January 2023 (the “Bonds Maturity Date”). On the Bonds Maturity Date, the Company has redeemed the Bonds in full at aggregate principal amount of US\$250 million together with accrued interest in accordance with the terms and conditions of the Bonds (the “Redemption”). Following the Redemption, the Bonds were forthwith cancelled in full and there are no outstanding Bonds in issue. The Company is discharged from all obligations under and in respect of the Bonds.

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

Save as disclosed above in relation to the Redemption, 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 30 June 2023.

AUDIT COMMITTEE AND REVIEW OF RESULTS

The Company's audit committee comprises all the three independent non-executive Directors. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the risk management and internal controls and financial reporting matters.

The Group's interim results for the six months ended 30 June 2023 have been reviewed by the Company's audit committee and by the Company's auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The report on review of interim financial information by the auditor will be included in the 2023 interim report to shareholders.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 24 October 2023 to Friday, 27 October 2023 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the special general meeting to be convened and held on Friday, 27 October 2023 to consider, and if thought fit, approve the Bonus Issue. In order to attend and vote at the special general meeting, all transfer of shares accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 20 October 2023.

The register of members of the Company will be closed from Tuesday, 7 November 2023 to Friday, 10 November 2023 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to the Bonus Issue. In order to qualify for the Bonus Issue, all transfer of shares accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 6 November 2023.

INTERIM REPORT

The 2023 interim report containing all the information required by the Listing Rules will be published on the Stock Exchange's website and the Company's website at <http://www.irasia.com/listco/hk/hopson>.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirm that the Company has maintained during the period under review the amount of public float as required under the Listing Rules.

DIRECTORS

As at the date of this announcement, the Board comprises eight Directors. The executive Directors are Ms. Chu Kut Yung (Chairman), Mr. Zhang Fan (Co-president), Mr. Au Wai Kin, Mr. Xie Bao Xin and Mr. Bao Wenge; and the independent non-executive Directors are Mr. Tan Leng Cheng, Aaron, Mr. Ching Yu Lung and Mr. Ip Wai Lun, William.

By order of the Board
Hopson Development Holdings Limited
Chu Kut Yung
Chairman

Hong Kong, 29 August 2023