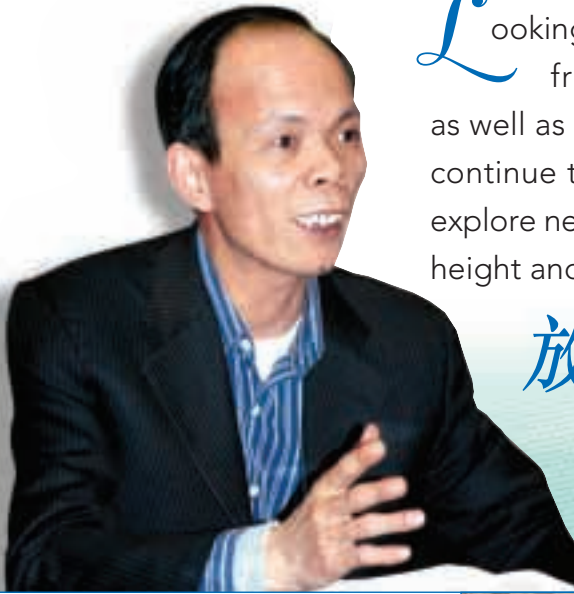


CHAIRMAN'S STATEMENT

主席報告



Chu Mang Yee 朱孟依
Chairman 主席

Looking ahead, the Group will grasp the opportunities from the rapid economic growth in the PRC as well as the consolidation of the property sector. It will continue to develop projects with high profitability and explore new business models to raise its business to a new height and dimension.

放眼將來，本集團將把握中國經濟高速增長及國內地產行業整合發展之契機，繼續發展具有高盈利能力之項目及發掘新業務模式，把集團業務推進新高峰及新境界。



Beijing Regal Court
北京珠江帝景

I am pleased to present to our shareholders the annual results of Hopson Development Holdings Limited ("Hopson" or the "Company") for the year ended 31st December 2005.

FINANCIAL RESULTS

For the year ended 31st December 2005, the Company and its subsidiaries (collectively referred to as the "Group") reported an increase of HK\$785 million in the audited consolidated profit attributable to shareholders to HK\$1,217 million. Earnings per share grew by 162% over 2004 to HK113cents. Total equity increased by 73% to HK\$5,765 million. Net assets per share amounted to HK\$4.75, representing an increase of 43% as compared to 31st December 2004. The return on total equity was 21%.

本人欣然提呈合生創展集團有限公司（「合生創展」或「本公司」）截至二零零五年十二月三十一日止年度的全年業績予我們的股東，以供省覽。

財務業績

本集團截至二零零五年十二月三十一日止年度，本公司及其附屬公司（統稱「本集團」或「集團」）之經審核綜合股東應佔溢利增加港幣 785,000,000 元至港幣 1,217,000,000 元。每股盈利港幣 113 仙，較二零零四年增加 162%。權益總額增加至港幣 5,765,000,000 元，增長 73%，每股淨資產港幣 4.75 元，較二零零四年十二月三十一日增加 43%，權益總額回報率為 21%。

DIVIDEND

The Board of Directors recommended the payment of a final dividend of HK24.2 cents per share for the year ended 31st December 2005. Together with the interim dividend of HK9.75 cents per share, the total dividend payout per share for the year was HK33.95 cents, representing a 277% increase as compared to HK9 cents in 2004.

MARKET OVERVIEW AND OPERATING ENVIRONMENT

In 2005, China's economy was robust and continued to grow vigorously. According to the preliminary statistics of the National Bureau of Statistics of China, the GDP in 2005 grew by 9.9% over that of 2004 to more than RMB18,000 billion. Excluding the pricing factor, the annual average disposable income of urban and rural residents per capita, had rose by 9.6% over that of 2004 to RMB10,493, and 1.9% higher than the previous year, which reflected a positive outlook of the PRC economy. For the property development sector, the PRC government introduced a series of macroeconomic austerity measures in 2005, including prohibition in land speculation, restriction on transfers of unfinished properties, tightening of bank credit and increase in mortgage rates, which were aimed to curb speculative activities in a number of cities with overheated property activities while sustaining and supporting normal and reasonable housing needs of the general public. Those measures were effectively implemented, as evidenced from the slow down in investment in the sector, increase in property prices and speculative activities. In addition, the increasingly attractive Renminbi assets under anticipated Renminbi appreciations, coupled with China's commitments of opening the banking sector in 2006, generated a greater demand from overseas investors.

股息

董事局建議派發截至二零零五年十二月三十一日止年度之末期股息每股港幣 24.2 仙，連同已派發之中期股息每股 9.75 港仙，全年派息每股 33.95 港仙，較 2004 年每股派息 9 港仙增加 277%。

市場概況及經營環境

二零零五年中國經濟穩健，繼續保持高速發展。據中國國家統計局初步統計，二零零五年國內生產總值超過人民幣 18 萬億元，比二零零四年增長 9.9%；全年城鎮居民人均可支配收入為人民幣 10,493 元，扣除價格因素，比二零零四年增長 9.6%，增幅比上年提高 1.9%，說明中國經濟仍然看好。就房地產行業發展方面，二零零五年中國政府陸續頒布了系列宏觀調控政策，包括進一步嚴禁炒地、限制期房轉讓、抓緊銀行信貸、提高購房貸款利息等。宏觀調控的目的在於控制部分城市出現的非正常房地產過熱現象，同時支持和維護普羅大眾正常、合理的置業需求。宏觀調控措施顯見成效，國內房地產投資增長減緩，房價漲幅放落，房地產炒作亦減少。此外，中國承諾於二零零六年全面開放銀行業，預計人民幣升值的心理令人民幣資產更具吸引力，從而令對海外投資者產生更大的需求。

Guangzhou

Guangzhou is a district, where most of the Group's property developments are located and the property market has always been stable, on a whole not too adversely affected by the austerity measures. In 2005, the commodity properties in Guangzhou recorded a total transaction amount of RMB60.834 billion, representing an 8.61% increase over that of 2004 while 10.8% increase in terms of property prices. As we anticipate shortage of land supply and increase in demand for properties, there are upsides for further increase in prices. As a result of a number of macroeconomic factors, the competition in the sector was further heightened, while the market was further segmented into two extremes, with branded developers further focused on the top-end of the market. Given the Group has been focusing on the mid-to high ends of the market, it has accumulated substantial experience in this segment and is in an advantageous position to face the onslaught competition.

Beijing

In 2005, after the implementation of a series of austerity measures by various ministries of the State including land, credit, taxation and property sales management, the Beijing property market went through a short term consolidation period of increase in property prices but decrease in transacted areas, with a 19.2% increase in average selling prices and a 18.7% decrease in pre-sales of transacted areas. As a result of these factors, the launch of a number of residential projects were postponed, thereby increasing the supply in 2006. As revealed from a survey

廣州

作為本集團目前地產項目最多的廣州地區，房地產市場向來健康穩健，宏觀調控政策對其並未造成過多的負面影響。二零零五年廣州全市商品房成交金額人民幣 608.34 億元，比二零零四年上升 8.61%，而商品住宅樓價也比二零零四年上漲 10.8%。在預期供地緊張、物業需求增長的影響下，樓價將進一步上升。各類宏觀因素促使房地產市場競爭更為激烈，市場更加細分及兩極化，品牌發展商為了區分其產品而紛紛進軍高端市場。本集團一直以開發中高端物業為主，已累積豐富的開發經驗，因而佔據一定的優勢，應付熾熱的競爭。

北京

於二零零五年，經國家各部委實施的一系列包括土地、信貸、稅收、房地產銷售管理等政策的影響，北京的住宅銷售市場進入調整階段，短期內出現價升量跌商品住宅期房預售平均價格同比上漲 19.2%，商品住宅期房預售成交面積同比下降 18.7%。受該等因素影響，部分住宅項目延遲推出市場，因此令二零零六年的供應增加。根據專業研究機構的調查顯示，目前北京購房者三分之二以上購房自用，因此，預



conducted by a professional research institute, over two thirds of the property buyers in Beijing were for own-use purposes. As such, housing demand is expected to grow as well as the price. Meanwhile, with gradual completion of the Olympics facilities and the associated infrastructures and the extensive promotion of the Olympic theme, it will further fuel the housing demand from overseas buyers, for both investment or own-use purposes. On the whole, the property market in Beijing will grow steadily in anticipation of a sustainable strong demand for properties.

Shanghai

Owing to recent excessive increase in property prices in Shanghai as compared to those of other cities, the Shanghai market was particularly affected by the measures introduced in the year. From a longer term perspective, the Shanghai economy is expected to be strong, with its residents' disposable income per capita to remain double digit growth. In addition, with relatively large scale of resettlements as supported by the Shanghai mayor's commitments of demolishing dangerous buildings of 4,000,000 square meters in old districts from 2006 and 2010, it will further create demand for housing. Currently it is the demand from end-users reviving the depressed property market.

Tianjin

The Tianjin market experienced a steady growth in 2005, with a rise in average selling price for commodity housing as compared to that in 2004. Driven by an improved urban environment and image, similar to the Beijing market, the property market in Tianjin performed very well. Following the Pearl River Delta and the Yangtze River Delta, the Huanbohai zone will become the next focus for economic growth in China. The inclusion of the development of the Binhai New District of Tianjin as part of the national development strategy by the Central Government will provide tremendous opportunities for the long-term growth of Tianjin, as well as the economic prosperity of the Huanbohai zone. Being the hub of the economic zone, the profile of the city will be further enhanced, thus attracting more investments from overseas investors. Further, the resettlement and urban planning will also create demand for housing and we are therefore optimistic of the outlook of the property market in Tianjin.

期今後房屋需求及價格仍會上漲。與此同時，隨著奧運基礎設施的逐步完成以及奧運概念的強力推廣，也會進一步激發以海外買家為主的投資或自住的購房需求。綜合而言，因預計北京的住宅市場依然需求強勁，物業市場將逐漸穩步上揚。

上海

上海近年樓價上漲較其他城市快，今年的政策對上海的房地產市場構成特別大的壓力。但長遠而言，上海經濟預期發展強勁，上海居民人均可支配收入繼續保持兩位數增長，而且上海拆遷規模較大，根據上海市長承諾，於二零零六年到二零一零年期間上海將拆毀 400 萬平方米的舊區危房，由此將製造更多置業需求。目前上海的自住需求正推動低沉的樓市復蘇。

天津

二零零五年天津市房地產業平穩增長，商品房平均銷售價格比二零零四年有所上升。隨著城市環境和形象的改善，與北京市場相若，天津物業市場表現良好。繼珠江三角洲、長江三角洲之後，環渤海地區將成為中國經濟發展的下一個重點，中央政府並明確將天津濱海新區的開發納入國家發展戰略，會為天津的長遠增長乃至振興環渤海區域經濟帶來巨大機遇。作為環渤海地區的經濟中心，天津的知名度進一步提高，吸引更多海外投資者前來投資。此外，拆遷和城市改造亦將創造置業需求。本集團因此對天津地產市場前景保持樂觀。

DEVELOPMENT OF PRC PROPERTY SECTOR

The sustainable economic growth in China provides a solid foundation for long-term growth of the property sector. Though a series of macroeconomic austerity measures initiated a change in the market expectation in the short run, yet effective implementation of such measures in the long run will be conducive for a healthy and long lasting development of the property market. Larger property developers with branding will have access to more resources in light of more regulated land supply and credit tightening policies, while medium and small property developers will be faced with a more challenging operating environment with the market shares more polarized between these developers. Large developers with branding will have an edge in the new round of competition and the Group is confident to excel and to grasp more opportunities. Competent counterparties will no doubt enjoy more cutting edges under a new round of challenges in the property market and the Group is confident of capturing more development opportunities through market competition and hence the elimination of inefficient players.

PROSPECTS OF THE GROUP

Given the imminent hosting of the Asian Games in Guangzhou in 2009, the forthcoming Olympics in Beijing in 2008 and the World Expo in Shanghai in 2010, where the Group core operating areas are located, namely Guangzhou, Beijing and Shanghai, the property market in these cities will continue to be prosperous in the coming years. While these cities remain the focus of development of the Group, the Group will also explore new cities with potentials. In addition to the existing projects, the Group plans to pre-sell the Hopson International New City, Beijing International Garden, the Sheshan Donziyuan Project, the Zhaoxiang Town Project and Guangzhou Huadu Hongbenggang Reservoir project. Projects in Guangzhou, Beijing and Shanghai will remain the three major profit contributors in the coming years. Looking ahead, the Group will grasp the opportunities from the rapid economic growth in the PRC as well as the consolidation of the property sector. It will continue to develop projects with high profitability and explore new business models, to raise its business to a new height and dimension.

CHU MANG YEE
Chairman

Hong Kong: 13th April 2006

中國房地產行業發展

中國經濟持續增長為房地產業的長遠發展奠定良好基礎。一系列的宏觀調控政策雖然改變了市場短期內的預期，但長遠而言，調控措施行之有效，有利於房地產健康長遠之發展。由於土地供應及信貸政策更有規範，大型品牌房地產企業將能獲得更多資源，而中小房地產企業則會面臨更困難經營環境，使市場份額更朝兩端化發展。在新一輪的房地產競爭之中，無疑對於品牌大型發展商更為有利，本集團有信心能從市場競爭中脫穎而出，獲取更多的發展機遇。有能力的對手無疑會在新一輪的房地產市場競爭中穩佔優勢，本集團有信心從市場競爭中獲取更多發展機遇，並淘汰效率低劣的對手。

集團之未來展望

廣州即將於二零零九年舉辦亞運會、北京於二零零八年主辦奧運會及上海於二零一零年主辦世博會，該等活動均於本集團核心經營地點舉行，即廣州、北京、上海。未來幾年三地的樓市仍將繼續蓬勃發展。本集團仍然以上述城市作為主攻區域，同時亦會探索具潛質的新興城市。除現有項目外，本集團計劃預售合生國際新城、北京國際花園、佘山東紫園項目、趙巷鎮項目和廣州花都紅崩崗水庫項目。廣州、北京及上海的項目於未來幾年將繼續成為本集團主要利潤來源。放眼將來，本集團將把握中國經濟高速增長及國內地產行業整合發展之契機，繼續發展具有高盈利能力之項目及發掘新業務模式，把集團業務推進新高峰及新境界。

主席
朱孟依

香港：二零零六年四月十三日