Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2009

FINANCIAL HIGHLIGHTS

(for the year ended 31st December 2009)

— **Turnover was HK$11,225 million.**

— **Profit attributable to shareholders was HK$5,800 million. Excluding the net of tax effect of investment properties revaluation, profit attributable to shareholders was HK$2,274 million.**

— **Basic earnings per share were HK$3.77 per share.**

BUSINESS REVIEW

Industry Overview

- The proactive fiscal policies and moderately loose monetary policies together with the economic stimulus measures introduced by the Central Government in 2009 revitalised the national economy and facilitated solid development.

- After the market adjustment in 2008 and the launch of various preferential policies for the property sector, the real estate market swiftly rebound during the first half of 2009. Continuous escalation of land prices was seen. Transactions of commodity housing were active in major cities with growth in both transaction volume and price.

- In the second half of 2009, the Central Government tightened up transaction of land plots in view of the soaring property and land prices. It is expected a series of relevant measures would be implemented subsequently and market conditions in 2010 will be relatively challenging when compared with 2009.

* *For identification purposes only*

Contracted sales performance

Details of properties sold under sale and pre-sale contracts in 2009 totalling RMB15,088 million (2008: RMB9,531 million) are as follows:

- In Guangzhou and Huizhou, a total GFA of 519,006 square metres (2008: 427,736 square metres) with a carrying value of RMB4,434 million (2008: RMB4,287 million) was sold. The increase in sale was mainly attributable to the product mix effect with more sales of mid-end properties at lower average selling price.

- In Shanghai, a total GFA of 293,937 square metres (2008: 196,841 square metres) with a carrying value of RMB4,238 million (2008: RMB2,134 million) was sold. The increase was mainly due to the launch of new high-end properties like Hopson Dongjiao Villa, Hopson Yuting Garden and International City and the increase in sales of Hopson Golf Mansion.

- In Beijing and Tianjin, a total GFA of 344,016 square metres (2008: 147,218 square metres), of which 328,883 square metres (2008: 141,984 square metres) were attributable to the Group, with a carrying value of RMB6,416 million (2008: RMB3,110 million) was sold. The increase was mainly due to the launch of new projects such as No. 8 Royal Park, Kylin Zone and Hopson Dreams World in Beijing and the launch of a new phase in Jingjin New Town in Tianjin.

Properties sold but not yet delivered

As at 31st December 2009, the GFA in respect of which the Group had entered into sale and pre-sale contracts and yet to be delivered to buyers was 615,706 square metres (2008: 479,912 square metres). Following the delivery of these properties, the proceeds received therefrom totalling HK$7,261 million will be recognised as revenues in the Group's accounts in 2010 and thereafter.

Delivery of properties

A total GFA of 896,934 square metres (2008: 750,286 square metres) was delivered in 2009.

Project development progress

- A total GFA of 949,294 square metres (2008: 1,707,739 square meters) was completed during the year 2009.

- It is expected that a total GFA of 1,654,786 square metres will be completed in 2010.

Landbank and land replenishment

As of 31st December 2009, the Group had a landbank of 30.2 million square metres.

During 2009, the Group entered into several land transfer contracts in Beijing and Ningbo involving a total gross floor area of 2,867,994 square metres and completed the acquisitions of land plots in Huizhou with a gross floor area of 3,692,212 square metres.

Prospects

- The Group has adopted relatively proactive development strategies in 2010. With abundant new supplies of property units in Beijing, Shanghai, Guangzhou and Eastern Guangzhou, it is anticipated that the Group will be able to secure a significant growth in sales in 2010.

- The Group will speed up sales of properties to improve its liquidity and operate on solid financial position in order to maintain a stable and sustainable business development.

- The Group will increase the proportion of high-end projects. Through this adjustment of product mix, the Group is expected to reap a better profit margin.

- The Group will closely monitor the land market in first-tier cities and seek premium land resources with great potential and suitable for its strategic development.

The Board of Directors (the "Board") of Hopson Development Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December 2009 together with the comparative figures for the corresponding previous year.

The 2009 financial statements of the Company have been reviewed by the Company's audit committee and the Board.

CONSOLIDATED INCOME STATEMENT

	Note	For the year ended 31st December 2009 HK$'000	2008 HK$'000
Revenues	4	**11,225,246**	10,774,624
Cost of sales	6	**(6,557,985)**	(5,915,976)
Gross profit		**4,667,261**	4,858,648
Fair value gains on investment properties		**4,700,097**	34,076
Other gains, net	5	**734,033**	265,395
Selling and marketing costs	6	**(378,757)**	(389,348)
General and administrative expenses	6	**(995,041)**	(690,877)
Operating profit		**8,727,593**	4,077,894
Finance income		**13,551**	12,376
Finance costs	7	**(333,639)**	(226,765)
Share of profit less loss of associates		**(1,346)**	(33)
Share of profit/(loss) of a jointly controlled entity		**385,759**	(1,710)
Profit before taxation		**8,791,918**	3,861,762
Taxation	8	**(2,699,383)**	(1,912,812)
Profit for the year		**6,092,535**	1,948,950
Attributable to:			
Equity holders of the Company		**5,799,573**	1,963,724
Minority interests		**292,962**	(14,774)
		6,092,535	1,948,950
Earnings per share for profit attributable to equity holders of the Company during the year (in HK$ per share)			
– basic	9	**3.77**	1.33
– diluted	9	**3.69**	1.33
Dividends	10	**146,498**	294,621

CONSOLIDATED BALANCE SHEET

		As at 31st December	
		2009	2008
	Note	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Land costs		**329,440**	749,663
Prepayments for acquisition of land		**266,962**	2,436,630
Properties and equipment		**3,175,029**	2,405,623
Investment properties		**8,378,105**	2,856,094
Properties under development for long-term investment		**–**	125,856
Intangible assets		**120,660**	120,455
Investments in associates		**40,925**	42,201
Investment in a jointly controlled entity		**1,188,692**	801,240
Available-for-sale financial assets		**2,671,719**	476,250
Deferred tax assets		**191,287**	173,378
		16,362,819	10,187,390
Current assets			
Land costs		**24,580,807**	24,163,460
Prepayments for acquisition of land		**7,363,482**	6,142,999
Properties under development for sale		**9,611,470**	8,910,522
Completed properties for sale		**4,199,930**	4,806,954
Financial assets at fair value through profit or loss		**11,083**	11,655
Accounts receivable	*11*	**146,895**	72,577
Other receivables		**488,175**	758,405
Prepayments, deposits and other current assets		**1,131,951**	770,163
Due from an associate		**29,365**	26,538
Due from related companies		**13,664**	6,979
Pledged/charged bank deposits		**168,479**	271,450
Cash and cash equivalents		**6,546,144**	2,142,696
		54,291,445	48,084,398
Total assets		**70,654,264**	58,271,788

	Note	As at 31st December 2009 HK$'000	2008 HK$'000
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**159,237**	147,237
Reserves	*14*	**28,034,506**	20,032,657
		28,193,743	20,179,894
Minority interests		**2,305,733**	2,384,179
Total equity		**30,499,476**	22,564,073
LIABILITIES			
Non-current liabilities			
Land cost payable		**271,028**	106,173
Borrowings	*12*	**10,116,598**	12,330,211
Due to minority shareholders		**419,411**	49,983
Deferred tax liabilities		**4,502,743**	3,890,102
		15,309,780	16,376,469
Current liabilities			
Accounts payable	*13*	**2,941,424**	2,933,721
Land cost payable		**302,418**	323,696
Borrowings	*12*	**6,232,260**	4,262,798
Deferred revenue		**7,260,538**	4,458,379
Accruals and other payables		**1,728,752**	2,249,864
Due to an associate		**6,269**	6,258
Due to related companies		**173,721**	174,920
Due to a jointly controlled entity		**1,842,289**	759,380
Current tax liabilities		**4,357,337**	4,162,230
		24,845,008	19,331,246
Total liabilities		**40,154,788**	35,707,715
Total equity and liabilities		**70,654,264**	58,271,788
Net current assets		**29,446,437**	28,753,152
Total assets less current liabilities		**45,809,256**	38,940,542

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2009 HK$'000	2008 HK$'000
Profit for the year		**6,092,535**	1,948,950
Other comprehensive income			
Fair value gain/(loss) on available-for-sale financial assets		**1,082,325**	(20,513)
Deferred tax for fair value gain/(loss) on available-for-sale financial assets		**(84,879)**	5,128
Asset revaluation reserve realised upon disposal of properties held for sale		**(282,222)**	(546,921)
Deferred tax for asset revaluation reserve realised upon disposal of properties held for sales		**131,985**	220,864
Currency translation differences		**92,369**	1,472,375
Other comprehensive income for the year, net of tax		**939,578**	1,130,933
Total comprehensive income for the year		**7,032,113**	3,079,883
Total comprehensive income attributable to:			
Equity holders of the Company		**6,735,283**	2,923,687
Minority interests		**296,830**	156,196
		7,032,113	3,079,883

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			
	Share capital *HK$'000*	Reserves *HK$'000*	Minority interests *HK$'000*	Total *HK$'000*
Balance at 1st January 2008	147,237	17,717,146	2,213,927	20,078,310
Profit/(loss) for the year	–	1,963,724	(14,774)	1,948,950
Other comprehensive income:				
Fair value loss on available-for-sale financial asset	–	(20,513)	–	(20,513)
Realised upon disposal of properties held for sales	–	(546,921)	–	(546,921)
Deferred tax	–	225,992	–	225,992
Currency translation differences	–	1,301,405	170,970	1,472,375
Other comprehensive income for the year, net of tax	–	959,963	170,970	1,130,933
Total comprehensive income for the year	–	2,923,687	156,196	3,079,883
Share-based payment (Share options granted)	–	3,004	–	3,004
Contribution from minority shareholders	–	–	14,056	14,056
Dividends paid	–	(611,180)	–	(611,180)
	–	(608,176)	14,056	(594,120)
Balance at 31st December 2008	147,237	20,032,657	2,384,179	22,564,073

	Attributable to equity holders of the Company			
	Share capital	**Reserves**	**Minority interests**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Balance at 1st January 2009	**147,237**	**20,032,657**	**2,384,179**	**22,564,073**
Profit for the year	**–**	**5,799,573**	**292,962**	**6,092,535**
Other comprehensive income:				
Fair value gain on available-for-sale financial assets	**–**	**1,082,325**	**–**	**1,082,325**
Realised upon disposal of properties held for sales	**–**	**(282,222)**	**–**	**(282,222)**
Deferred tax	**–**	**47,106**	**–**	**47,106**
Currency translation differences	**–**	**88,501**	**3,868**	**92,369**
Other comprehensive income for the year, net of tax	**–**	**935,710**	**3,868**	**939,578**
Total comprehensive income for the year	**–**	**6,735,283**	**296,830**	**7,032,113**
Proceeds from issue of shares, net of share issue expenses – Placements	**12,000**	**1,567,663**	**–**	**1,579,663**
Disposal of certain equity interest in a subsidiary	**–**	**–**	**5,697**	**5,697**
Disposal of subsidiaries	**–**	**–**	**(379,251)**	**(379,251)**
Dividends paid	**–**	**(301,097)**	**(1,722)**	**(302,819)**
	12,000	**1,266,566**	**(375,276)**	**903,290**
Balance at 31st December 2009	**159,237**	**28,034,506**	**2,305,733**	**30,499,476**

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 in Mainland China. The Group is also involved in some ancillary property related businesses, including property investment, hotel operations and property management.

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"). The consolidated financial statements have been approved for issue by the Board of Directors on 22nd March 2010.

(2) BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss.

(3) ACCOUNTING POLICIES

In 2009, the Group adopted the following new or revised standards, amendments and interpretations of HKFRS, which are effective for accounting periods beginning on or after 1st January 2009 and relevant to the Group's operations.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HKFRS 1 and HKAS 27 Amendments	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 7 Amendment	Improving Disclosure about Financial Instruments
HKFRSs Amendments	Improvements to HKFRSs 2008

The effect of the adoption of these new or revised standards, amendments and interpretations are detailed below:

HKAS 1 (Revised) – Presentation of Financial Statements: The standard required all non-owner changes in equity (i.e. comprehensive income) to be presented in a single statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The Group has chosen to adopt the two statements approach and a new consolidated statement of comprehensive income is included after the consolidated income statement.

HKFRS 8 – Operating Segments: HKFRS 8 replaces HKAS 14 – Segment Reporting. The new standard uses a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in certain changes in the presentation and disclosure information of the reportable segments.

HKFRS 7 Amendment – Improving Disclosure about Financial Instruments: The amendment requires enhanced disclosures about fair value measurement and liquidity risk, in particular the disclosures of fair value measurements by level of fair value measurement hierarchy. The adoption of this amendment result in additional disclosures.

HKAS 40 Amendment – Investment property: The Group adopted this amendment with prospective application from 1st January 2009. Properties being constructed or developed for future use as investment properties are brought within the scope of HKAS 40 and are reclassified from land costs and properties under development for long-term investment at 1st January 2009 at their carrying amounts and are measured at fair value.

The effect of the changes following the adoption of HKAS 40 Amendment on the consolidated income statement for the year ended 31st December 2009 is as follows:

	HKAS40 Amendment *HK$'000*
Increase/(decrease) in profit for the year	
Fair value gains on investment properties	4,697,956
Profit before taxation	4,697,956
Taxation	
Deferred tax	(1,174,489)
Profit for the year	3,523,467
Attributable to:	
Equity holders of the Company	3,208,948
Minority interests	314,519
	3,523,467
Earnings per share (HK cents)	
Basic	2.08
Diluted	2.00

The effect of the changes following the adoption of HKAS 40 Amendment on the consolidated balance sheet as at 31st December 2009 is as follows:

	HKAS40 Amendment *HK$'000*
Increase/(decrease)	
Land costs	(3,472,600)
Investment properties	8,378,105
Properties under development for long-term investment	(203,549)
Total assets	4,701,956
Reserves	3,211,679
Minority interests	314,787
Total equity	3,526,466
Deferred tax liabilities	1,175,490
Total equity and liabilities	4,701,956

The adoption of other new or revised standards, amendments and interpretations does not have a significant effect on the results and financial position of the Group.

Standards, interpretations and amendments to existing standards that are not yet effective

The Hong Kong Institute of Certified Public Accountants has issued certain new/revised standards, amendments and interpretations which are not effective for accounting periods beginning on 1st January 2009 and the Group has not early adopted.

The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretation, certain of which are relevant to the Group's operation and will give rise to changes in accounting policies, disclosures and measurement of certain items in the financial statements. However, the Group is not yet in a position to ascertain their impact on its results of operations and financial position.

(4) SEGMENT INFORMATION

The chief operating decision maker has been identified as the Executive Directors. The Executive Directors reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Directors considers the business from both a business and geographic perspective. Reportable business segments identified are property development, property investment, hotel operations and property management. Geographically, the Executive Directors considers that the reportable business segments can be further segregated into four main geographical areas, namely Guangdong province (GZ), Beijing (BJ), Shanghai (SH) and Tianjin (TJ).

The Executive Directors assesses the performance of the operating segments based on a measure of adjusted segment results. Corporate expense, finance income and finance costs are not included in the result for each operating segment that is reviewed by the Executive Directors.

Segment assets consist primarily of properties and equipment, investment properties, investment in a jointly controlled entity, land costs, properties under development, completed properties for sale, prepayments, deposits and other current assets, receivable and operating cash (cash in Hong Kong has been included in the property development segment in GZ). They exclude available-for-sale financial assets, which are managed on a central basis and deferred tax assets. These are part of the reconciliation to total balance sheet assets.

Segment results by business lines and geographical areas

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the consolidated income statement.

The segment results by business lines for the year ended 31st December 2009 are as follows:

	Property development				Property investment		Hotel operations			Property management	Group
	GZ	SH	BJ	TJ	GZ	SH	GZ	BJ	TJ		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31st December 2009:											
Total revenues	**3,880,730**	**3,675,466**	**2,681,010**	**484,260**	**31,174**	**–**	**24,631**	**44,313**	**62,614**	**444,313**	**11,328,511**
Inter-segment revenues	**(70,911)**	**–**	**–**	**(19,396)**	**–**	**–**	**–**	**–**	**–**	**(12,958)**	**(103,265)**
Revenues	**3,809,819**	**3,675,466**	**2,681,010**	**464,864**	**31,174**	**–**	**24,631**	**44,313**	**62,614**	**431,355**	**11,225,246**
Adjusted segment results	**3,105,620**	**1,510,900**	**1,478,152**	**26,996**	**45,031**	**3,020,245**	**7,050**	**(14,536)**	**(130,145)**	**79,825**	**9,129,138**
Depreciation	**(6,004)**	**(1,953)**	**(8,793)**	**(2,573)**	**(11)**	**(81)**	**(7,306)**	**(11,266)**	**(51,566)**	**(1,697)**	**(91,250)**
Amortisation	**(2,777)**	**(1,962)**	**(512)**	**(388)**	**–**	**–**	**(2,620)**	**(1,038)**	**(112)**	**–**	**(9,409)**
Fair value gains on investment properties	**–**	**–**	**–**	**–**	**1,679,579**	**3,020,518**	**–**	**–**	**–**	**–**	**4,700,097**
Share of profit less loss of associates	**(522)**	**–**	**(824)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,346)**
Share of profit of a jointly controlled entity	**–**	**–**	**385,759**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**385,759**

The segment results by business lines for the year ended 31st December 2008 are as follows:

	Property development				Property investment		Hotel operations			Property management	Group
	GZ	SH	BJ	TJ	GZ	SH	GZ	BJ	TJ		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31st December 2008:											
Total revenues	5,210,911	1,356,523	3,587,328	308,380	41,949	–	25,392	53,849	75,797	306,306	10,966,435
Inter-segment revenues	(168,369)	(5,448)	(10,514)	(7,480)	–	–	–	–	–	–	(191,811)
Revenues	5,042,542	1,351,075	3,576,814	300,900	41,949	–	25,392	53,849	75,797	306,306	10,774,624
Adjusted segment results	1,898,083	440,376	1,572,837	(84,135)	39,852	148,800	4,630	(11,493)	(176,800)	17,964	3,850,114
Depreciation	(6,290)	(2,069)	(7,431)	(2,461)	–	(45)	(7,205)	(10,820)	(47,660)	(1,401)	(85,382)
Amortisation	(1,520)	(2,360)	(952)	(342)	–	–	(2,527)	(249)	(160)	–	(8,110)
Fair value gains on investment properties	–	–	–	–	34,076	–	–	–	–	–	34,076
Share of profit less loss of associates	990	–	(1,023)	–	–	–	–	–	–	–	(33)
Share of loss of a jointly controlled entity	–	–	(1,710)	–	–	–	–	–	–	–	(1,710)
Excess of acquirer's interest over cost of acquisition	39,107	981	8,499	–	–	144,902	–	–	–	–	193,489

The segment assets by business lines and by geographical area as at 31st December 2009 are as follows:

	Property development				Property investment		Hotel operations			Property management	Group
	GZ	SH	BJ	TJ	GZ	SH	GZ	BJ	TJ		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at and for the year ended 31st December 2009:											
	23,134,671	**7,736,545**	**21,172,034**	**4,064,030**	**2,476,368**	**5,938,360**	**507,104**	**391,801**	**2,174,470**	**195,875**	**67,791,258**
Segment assets include:											
Investments in associates	**637**	**–**	**40,288**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**40,925**
Investment in a jointly controlled entity	**–**	**–**	**1,188,692**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,188,692**
Additions to non-current assets (other than financial instruments and deferred tax assets)	**11,935**	**14,806**	**1,324**	**481,918**	**36,570**	**514,115**	**5,855**	**27,749**	**422,428**	**2,733**	**1,519,433**

The segment assets by business lines and by geographical area as at 31st December 2008 are as follows:

	Property development				Property investment		Hotel operations			Property management	Group
	GZ	SH	BJ	TJ	GZ	SH	GZ	BJ	TJ		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at and for the year ended 31st December 2008:											
	19,316,355	8,763,466	17,872,761	3,149,335	3,400,192	2,360,701	507,574	379,086	1,799,667	73,023	57,622,160
Segment assets include:											
Investments in associates	1,158	–	41,043	–	–	–	–	–	–	–	42,201
Investment in a jointly controlled entity	–	–	801,240	–	–	–	–	–	–	–	801,240
Additions to non-current assets (other than financial instruments and deferred tax assets)	14,583	2,980	19,187	19,908	125,153	407	151,695	5,702	120,080	1,634	461,329

Reconciliation of reportable segment profit from operations to profit before taxation is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Reportable segment profit from operations	**9,129,138**	3,850,114
Unallocated corporate (expenses)/income, net	**(17,132)**	226,037
Finance income	**13,551**	12,376
Finance costs	**(333,639)**	(226,765)
Profit before taxation	**8,791,918**	3,861,762

Reconciliation of reportable segment assets to total assets are:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Total segment assets	**67,791,258**	57,622,160
Deferred tax assets	**191,287**	173,378
Available-for-sale financial assets	**2,671,719**	476,250
Total assets	**70,654,264**	58,271,788

The Group is domiciled in Mainland China. All revenues for the year ended 31st December 2009 and 2008 are from Mainland China.

As at 31st December 2009 and 2008, all non-current assets excluding an available-for-sale financial asset are located in Mainland China.

(5) OTHER GAINS, NET

	For the year ended 31st December	
	2009	2008
	HK$'000	*HK$'000*
Excess of acquirer's interest over cost of acquisition	**–**	193,489
Gain on disposal of subsidiaries	**621,933**	–
Loss on disposal of certain equity interest in a subsidiary	**(136)**	–
Dividend income	**31,313**	365
Government grants	**81,496**	79,898
Fair value loss on financial assets at fair value through profit or loss	**(573)**	(8,357)
	734,033	265,395

(6) EXPENSES BY NATURE

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

	For the year ended 31st December	
	2009	2008
	HK$'000	*HK$'000*
Advertising costs	**239,019**	268,757
Amortisation of land costs	**9,409**	8,110
Auditor's remuneration	**5,000**	5,000
Cost of completed properties sold	**6,129,462**	5,533,692
Depreciation of properties and equipment	**91,250**	85,382
Direct operating expenses arising from investment properties that		
– generate rental income	**532**	2,277
– did not generate rental income	**2,430**	3,949
Employees' benefits costs (including Directors' emoluments)	**400,674**	448,888
Loss on disposal of properties and equipment	**995**	19,913
Net exchange loss/(gain) (included in general and administrative expenses)	**442**	(272,264)
Operating lease rental in respect of premises	**25,309**	31,426

(7) FINANCE COSTS

	For the year ended 31st December	
	2009	2008
	HK$'000	*HK$'000*
Interest expense:		
– on bank loans wholly repayable within five years	**743,848**	779,266
– on bank loans not wholly repayable within five years	**28,714**	17,653
– on senior notes wholly repayable within five years	**231,856**	230,547
– on convertible bonds wholly repayable within five years	**143,990**	129,317
Total borrowing costs incurred	**1,148,408**	1,156,783
Less: Amount capitalised as part of the cost of properties under development	**(814,769)**	(930,018)
	333,639	226,765

(8) TAXATION

Taxation consists of:

	For the year ended 31st December	
	2009	2008
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**3,397**	18,852
Mainland China corporate income tax	**778,360**	915,016
Mainland China land appreciation tax	**858,868**	1,162,742
	1,640,625	2,096,610
Deferred tax		
Mainland China corporate income tax	**1,096,835**	(119,871)
Mainland China land appreciation tax	**(38,077)**	(63,927)
	1,058,758	(183,798)
	2,699,383	1,912,812

Share of a jointly controlled entity's taxation for the year ended 31st December 2009 of HK$370,308,000 (2008: Nil) is included in the income statement as share of profit/(loss) of a jointly controlled entity.

(9) EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	For the year ended 31st December **2009**	2008
Profit attributable to equity holders of the Company *(HK$'000)*	**5,799,573**	1,963,724
Weighted average number of ordinary shares in issue *('000)*	**1,539,437**	1,472,368
Basic earnings per share *(HK$ per share)*	**3.77**	1.33

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the conversion of convertible bonds.

	For the year ended 31st December **2009**	2008
Profit attributable to equity holders of the Company *(HK$'000)*	**5,799,573**	1,963,724
Interest expense on convertible bonds (net of tax) *(HK$'000)*	**110,364**	N/A
Profit for calculation of diluted earnings per share *(HK$'000)*	**5,909,937**	1,963,724
Weighted average number of ordinary shares in issue *('000)*	**1,539,437**	1,472,368
Adjustments for – shares to be issued on conversion of convertible bonds *('000)*	**61,108**	N/A
Weighted average number of ordinary shares for diluted earnings per share *('000)*	**1,600,545**	1,472,368
Diluted earnings per share *(HK$ per share)*	**3.69**	1.33

For the year ended 31st December 2008, the convertible bonds are anti-dilutive.

(10) DIVIDENDS

	For the year ended 31st December	
	2009	2008
	HK$'000	*HK$'000*
Interim dividend paid of HK$0.092 (2008: HK$0.0951) per ordinary share	**146,498**	140,022
Proposed final dividend of nil (2008: HK$0.105) per ordinary share	**–**	154,599
	146,498	294,621

(11) ACCOUNTS RECEIVABLE

Consideration in respect of properties sold is generally payable by the buyers at the time of completion of the sale and purchase agreements. Rentals in respect of leased properties and property management fees are generally payable in advance by the tenants on a monthly basis.

The ageing analysis of accounts receivable is as follows:

	As at 31st December	
	2009	2008
	HK$'000	*HK$'000*
0 to 3 months	**54,317**	41,031
3 to 6 months	**6,343**	2,438
6 to 9 months	**4,378**	–
9 to 12 months	**3,250**	–
Over 12 months	**78,607**	29,108
	146,895	72,577

(12) BORROWINGS

	As at 31st December	
	2009	2008
	HK$'000	*HK$'000*
Non-current		
Bank borrowings	**7,439,901**	7,644,772
Senior notes	**2,676,697**	2,663,312
Convertible bonds	**–**	2,022,127
	10,116,598	12,330,211
Current		
Bank borrowings	**4,062,575**	4,262,798
Convertible bonds	**2,169,685**	–
	6,232,260	4,262,798
Total borrowings	**16,348,858**	16,593,009

In November 2005, the Company issued 8.125% senior notes with an aggregated nominal value of US$350,000,000 (equivalent to approximately HK$2,730,000,000), for a total consideration of approximately HK$2,733,182,000. The senior notes mature in seven years (November 2012) and are repayable at their nominal value of US$350,000,000. The Company will be entitled at its option to redeem all or a portion of the senior notes on or after 9th November 2009 at the redemption prices specified in the offering circular, plus accrued and unpaid interests up to the redemption date.

On 2nd February 2007, the Company completed the issue of RMB1,830,400,000 aggregate principal amount of USD settled Zero Coupon Convertible Bonds. The bonds mature in three years (February 2010) from the issue date at 104.59% of the nominal value or can be converted into ordinary shares of the Company on or after 14th March 2007 at a conversion price of HK$30.08 per share at a fixed exchange rate of RMB0.9958 to HK$1. The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond at the time of issue, and is recorded as borrowings on the amortised cost basis, until extinguished on conversion or maturity of the bonds.

(13) ACCOUNTS PAYABLE

The ageing analysis of accounts payable (including amounts due to related parties of trading nature) is as follows:

	As at 31st December	
	2009	2008
	HK$'000	*HK$'000*
0 to 3 months	**2,941,424**	2,933,721

As at 31st December 2009 approximately HK$2,471,757,000 (2008: HK$1,434,475,000) of accounts payable was due to subsidiaries of minority shareholders of certain subsidiaries of the Company in respect of property construction fees.

(14) RESERVES

For the year ended 31st December 2009

	Share premium *HK$'000*	Statutory reserves *HK$'000*	Convertible bonds reserve *HK$'000*	Asset revaluation reserve *HK$'000*	Currency translation differences *HK$'000*	Retained earnings *HK$'000*	Total *HK$'000*
Balance at 1st January 2009	**6,664,596**	**161,117**	**227,734**	**1,659,834**	**2,278,132**	**9,041,244**	**20,032,657**
Currency translation differences	–	–	–	–	88,501	–	88,501
Profit for the year	–	–	–	–	–	5,799,573	5,799,573
Dividend relating to 2008	–	–	–	–	–	(154,599)	(154,599)
Dividend relating to 2009	–	–	–	–	–	(146,498)	(146,498)
Issue of shares – Placements	1,584,000	–	–	–	–	–	1,584,000
Share issue expenses	(16,337)	–	–	–	–	–	(16,337)
Fair value gain on available-for-sale financial assets	–	–	–	1,082,325	–	–	1,082,325
Realised upon disposal of properties held for sale	–	–	–	(282,222)	–	–	(282,222)
Deferred tax	–	–	–	47,106	–	–	47,106
Balance at 31st December 2009	**8,232,259**	**161,117**	**227,734**	**2,507,043**	**2,366,633**	**14,539,720**	**28,034,506**

	Retained earnings *HK$'000*
Analysed by:	
Company and subsidiaries	14,075,889
Jointly controlled entity	467,697
Associates	(3,866)
	14,539,720

For the year ended 31st December 2008

	Share premium *HK$'000*	Statutory reserves *HK$'000*	Convertible bonds reserve *HK$'000*	Asset revaluation reserve *HK$'000*	Currency translation differences *HK$'000*	Retained earnings *HK$'000*	Total *HK$'000*
Balance at 1st January 2008	6,707,997	161,117	227,734	2,001,276	976,727	7,642,295	17,717,146
Currency translation differences	–	–	–	–	1,301,405	–	1,301,405
Profit for the year	–	–	–	–	–	1,963,724	1,963,724
Dividend relating to 2007	–	–	–	–	–	(471,158)	(471,158)
Dividend relating to 2008	–	–	–	–	–	(140,022)	(140,022)
Employee share options scheme – value of services provided	3,004	–	–	–	–	–	3,004
Share options lapsed	(46,405)	–	–	–	–	46,405	–
Fair value loss on available-for-sale financial asset	–	–	–	(20,513)	–	–	(20,513)
Realised upon disposal of properties held for sale	–	–	–	(546,921)	–	–	(546,921)
Deferred tax	–	–	–	225,992	–	–	225,992
Balance at 31st December 2008	6,664,596	161,117	227,734	1,659,834	2,278,132	9,041,244	20,032,657
Representing:							
2008 final dividend						154,599	
Others						8,886,645	
						9,041,244	
Analysed by:							
Company and subsidiaries						8,961,826	
Jointly controlled entity						81,938	
Associates						(2,520)	
						9,041,244	

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31st December 2009 (2008: HK10.5 cents per share).

FINANCIAL REVIEW

Turnover

(i) Recognised Sales

As the impact of the global financial turmoil was partially offset by the expansionary policies introduced by the Central Government, the Group achieved a satisfactory turnover of HK$11,225 million in 2009 (2008: HK$10,775 million) amid the improving economic environment. The overall GFA delivered by the Group in 2009 surged up 20% to 896,934 square metres (2008: 750,286 square metres), of which GFA delivered in Huizhou, Shanghai and Tianjin increased by 544%, 114% and 67% respectively due to the delivery of new projects in these regions.

In 2009, the average selling price for delivered and completed properties dropped to RMB10,385 per square metre (2008: RMB12,528 per square metre) as a considerable amount of lower price products and remaining units were delivered during the year. Shanghai on the other hand was able to secure a 22% rise in average selling price due primarily to the delivery of three high-end projects, namely the Hopson Dongjiao Villa, International Garden and Hopson Yuting Garden.

(ii) Contracted Sales

The economic stimulus policies launched by various countries in 2009 alleviated the global economic downturn. China managed to secure an 8.7% GDP growth in 2009. With positive market sentiments and restored consumers' confidence, a revival of the PRC property market was seen in 2009.

The Group recorded a significant growth in contracted sales of 58% to RMB15.09 billion (2008: RMB9.53 billion). Excluding the proceed from the disposal of the Beijing Dongfangwenhua commercial building in 2008, the year-on-year growth rate of contracted sales was up by 88%. Average contracted selling price also grew 17% to RMB13,041 per square metre from last year.

The combined contracted sales of Beijing and Tianjin amounted to RMB6,416 million, representing 42.5% of the total contracted sales of the Group in 2009. With the launch of three new projects in Beijing, namely the No. 8 Royal Park, Kylin Zone and Hopson Dreams World, contracted sales of Beijing went up by 293% over 2008. Nine property projects were on sale in Beijing and Tianjin, of which No. 8 Royal Park and Beijing Regal Court was the major sales contributor.

Guangdong achieved contracted sales of RMB4,434 million in 2009, representing 29.4% of the total contracted sales of the Group. Nineteen property projects were on sale, of which four were located in Huizhou and the rest of them were located in Guangzhou. Contracted sales of Huizhou region were RMB1,397 million, grew significantly by 235% from last year. The major projects in Guangdong were Pleasant View Garden, Regal Riviera, Gallopade Park – South Court, Huanan New City, Junjing Bay, Huizhou Regal Riviera Bay and Hushan Guoji Villa.

There were eight property projects on sale in Shanghai, comprising Hopson Town, Hopson Lantern Villa, Hopson Golf Mansion, International Garden, Sheshan Dongziyuan, Hopson Dongjiao Villa, Hopson Yuting Garden and Hopson International City. Contracted sales of Shanghai were RMB4,238 million, grew 99% from last year and representing 28.1% of the total contracted sales of the Group.

Cost of Sales

Cost of sales included land and construction costs, decoration and design costs, capitalized interest and land premium amortization. In line with the increase in turnover, cost of sales was up by 11% to HK$6,558 million (2008: HK$5,916 million) and, as a percentage of turnover, slightly increased by 3% to 58% (2008: 55%) due primarily to more sales of lower price products with lower profit margin in 2009.

Gross Profit

Gross profit margin was lowered from 45% in 2008 to 42% in 2009. The major reason for the slight drop was caused by the delivery of a considerable amount of lower price products and remaining products during the year as compared with the higher price products delivered in 2008.

Other Gains

Other gains amounted to HK$734.0 million in 2009 (2008: 265.4 million) comprising (1) a net gain of HK$621.9 million from the disposal of subsidiaries; (2) tax grants amounting to HK$81.5 million from government authorities in the mainland; (3) a dividend income of HK$31.3 million; (4) a fair value loss of HK$0.6 million from investment in listed securities, and (5) a loss of HK$0.1 million from disposal of equity interest in a subsidiary.

Operating Costs

The net operating costs relating to expenses for selling, marketing, general and administration amounted to HK$1,374 million representing an increase of 27% from 2008 of HK$1,080 million. The increase was primarily due to a significant reduction in exchange gain, which turned to a loss of HK$0.44 million. The decrease in exchange gain was attributable to the insignificant difference in movements of exchange rates between Renminbi and United States Dollars/Hong Kong dollars in 2009. In addition, larger amount of new bank loans in 2009 led to an increase in finance charges which further contributed to the increase in operating costs.

Operating Profit

Operating profit in 2009 surged by 114% to HK$8,728 million (2008: HK$4,078 million).

Finance Costs

Gross interest before capitalization decreased 1% to HK$1,148 million from HK$1,157 million in 2008. The decrease was attributable to the lower average bank borrowings in 2009 than in 2008. The effective interest rate in respect of the Group's borrowings was approximately 6.2% per annum (2008: 7.5%).

Share of Profit of a Jointly Controlled Entity

Share of profit of a jointly controlled entity represented the Group's share of profit of HK$386 million (2008: loss of HK$1.71 million) delivered from a jointly controlled entity located in Beijing. The significant increase in profit from this jointly controlled entity was mainly due to the completion and consequently the recognition of sale of the Beijing Donfengwenhua commercial building during the year. Pursuant to the joint venture agreement, the profit arising thereof was fully attributable to the Group.

Taxation

The effective tax rate was 31% in 2009, down 19% compared with last year. Excluding the (1) non-taxable items comprising gain on disposal of subsidiaries of HK$622 million, dividend income from an available-for-sale financial asset of HK$31 million, government grants of HK$81 million and interest income of HK$14 million, and (2) share of profit from a jointly controlled entity of HK$386 million and share of loss from associates of HK$1.3 million, the effective tax rate would have been 35% (2008: 53%). The decrease was mainly due to the decrease in the provision for Mainland China's land appreciation tax during the year.

Profit Attributable to Equity Holders of the Company

Profit attributable to equity holders was HK$5,800 million for 2009 (2008: HK$1,964 million). Fully diluted earnings per share was HK$3.69. Excluding the effect of the net of tax gain from revaluation of investment properties amounting to HK$3,525 million, underlying profit was HK$2,274 million, up HK$538 million or 31% as compared with previous year. The increase was mainly attributable to the recognition of net gain on disposal of subsidiaries of HK$622 million and sharing of profit from a jointly controlled entity of HK$386 million. The increase was, to a certain extent, offset by the decrease in exchange gain of HK$272 million and the decrease in gross profit of HK$191 million.

Segment Information

Property development continued to be the Group's core business activity (94%). In 2009, the Group maintained a balanced development in terms of turnover in the three core economic regions, namely the Pearl River Delta, Yangtze River Delta and Huanbohai Area. Guangzhou and Huizhou contributed 36% to the total revenue of the Group, followed by Shanghai (33%), Beijing (26%) and Tianjin (5%).

Financial Position

As at 31st December 2009, total assets of the Group amounted to HK$70,654 million and its total liabilities (excluding minority interests) came to HK$40,155 million, representing an increase of HK$12,382 million and HK$4,447 million respectively over the previous year. The increase in total assets was mainly attributable to the increase in (1) surplus from revaluation of investment properties; (2) fair value of available-for-sale financial assets; (3) investment in a jointly controlled entity due to the increased share of profit from it; (4) development cost incurred in the construction and completion of projects, and (5) cash and bank deposits. Aligned with this, total liabilities also increased, primarily due to (1) additional bank borrowings obtained, and (2) increase in deferred revenue from property sale and tax liabilities.

Current ratio was 2.19 in 2009 (2008: 2.49). Equity increased to HK$30,499 million at 31st December 2009 from HK$22,564 million at 31st December 2008, due primarily to (1) current year's profit attributable to equity holders; (2) placing of new Company's shares in June 2009, and (3) increase in asset revaluation reserve.

Liquidity and Borrowings

In managing the liquidity risk, the Group regularly and closely monitors its current and expected liquidity requirements to maintain its rolling cash flow at a level which is considered adequate by the Group to finance the Group's operations according to its cash flow projections and to maintain sufficient cash to meet its business development requirements.

As at 31st December 2009, the Group's liability-to-asset ratio (i.e. the ratio between total liabilities and total assets, excluding minority interests) was 57% (2008: 61%). The net debt-to-equity ratio (i.e. total debt less cash and bank deposits over shareholders' equity) was 32% (2008: 63%).

As at 31st December 2009, the Group has cash and short-term bank deposits amounting to HK$6,714 million (2008: HK$2,414 million) of which approximately HK$107 million (2008: HK$87 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. 92% of the cash and bank deposits were denominated in Renminbi, 2% in Hong Kong dollars and 6% in United States dollars.

Total borrowings from banks amounted to HK$11,502 million as at 31st December 2009 representing a decrease of 3% or HK$406 million as compared to those at 31st December 2008. Gearing measured by net bank borrowings, Guaranteed Senior Notes and Convertible Bonds less cash and bank deposits as a percentage of shareholders' equity, was 32%, down 31 percentage point from 63% as at 31st December 2008. The decrease was mainly due to the increase in cash and bank deposits and placing of new Company's shares during the year.

All of the bank borrowings were either secured or covered by guarantees and were substantially denominated in Renminbi with fixed interest rates whereas the United States Dollars denominated Senior Notes and the Renminbi denominated United States Dollars settled Convertible Bonds due 2010 were both jointly and severally guaranteed by certain subsidiaries with fixed interest rate, representing approximately 62%, 14% and 12%, respectively of the Group's total borrowings.

All of the other borrowings were unsecured, interest-free and substantially denominated in Renminbi.

The Group's borrowing repayment profile as at 31st December 2009 was as follows:

	As at 31st December 2009						As at 31st December 2008					
	Bank Borrowings	Guaranteed Senior notes	Guaranteed Convertible bond (HK$ million)	Other borrowings	Total		Bank Borrowings	Guaranteed Senior notes	Guaranteed Convertible bond (HK$ million)	Other borrowings	Total	
1 year	4,063	–	2,170	2,022	8,255	(45%)	4,263	–	–	941	5,204	(30%)
1–2 years	1,907	–	–	–	1,907	(10%)	5,017	–	2,022	–	7,039	(40%)
2–5 years	4,771	2,677	–	–	7,448	(41%)	2,299	2,663	–	–	4,962	(28%)
After 5 years	761	–	–	–	761	(4%)	329	–	–	–	329	(2%)
Total	11,502	2,677	2,170	2,022	18,371		11,908	2,663	2,022	941	17,534	
Less: Cash and bank deposits					(6,714)						(2,414)	
Net borrowings					11,657						15,120	

As at 31st December 2009, the Group had banking facilities of approximately HK$36,976 million (2008: HK$27,112 million) for short-term and long-term bank loans, of which HK$25,474 million (2008: HK$15,204 million) were unutilised.

Financial Guarantee

As at 31st December 2009, the Group provided guarantees to banks for mortgage facilities granted to buyers of the Group's properties which amounted to HK$9,981 million (2008: HK$8,737 million).

Charge on Assets

As at 31st December 2009, certain assets of the Group with an aggregate carrying value of HK$7,355 million (31st December 2008: HK$10,147 million) were pledged with banks for loan facilities used by subsidiaries, jointly controlled entity and related companies.

Commitments

The Group's commitments as at 31st December 2009 were as follows:

	As at 31st December 2009 *HK$ million*	As at 31st December 2008 *HK$ million*
Capital commitments		
Contracted but not provided for		
– Property construction costs	**880**	411
– Acquisition of land and equity interests in certain Mainland China entities	**170**	656
– Capital contribution to a jointly controlled entity ("BJ Dongfangwenhua")	**258**	258
	1,308	1,325
Authorised but not contracted for		
– Land costs	**66**	78
– Property construction costs	**3,531**	696
	3,597	774
	4,905	2,099

	As at 31st December 2009 *HK$ million*	As at 31st December 2008 *HK$ million*
Property development commitments		
Contracted but not provided for		
– Property construction costs	**10,184**	8,599
Authorised but not contracted for		
– Property construction costs	**38,258**	29,365
	48,442	37,964

The Group's share of capital commitments of the jointly controlled entity not included in the above were as follows:

	As at 31st December 2009	As at 31st December 2008
	HK$ million	*HK$ million*
Contracted but not provided for		
– Property construction costs	**–**	222
Authorised but not contracted for		
– Property construction costs	**–**	506
	–	728

The Group has operating lease commitments in respect of premises under various non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 31st December 2009	As at 31st December 2008
	HK$ million	*HK$ million*
Amounts payable		
— Within one year	27	40
— Within two to five years	76	116
— After 5 years	49	9
	152	165

With continuous cash inflow from property sales, the banking facilities available and the cash in hand, the Group is expected to be in an adequate liquidity position to meet these on-going commitments by stages.

Treasury Policies

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

EVENTS AFTER BALANCE SHEET DATE

(a) On 2nd February 2010, the Group repaid the RMB1,830,400,000 aggregate principal amount of USD settled Zero Coupon Convertible Bonds at 104.49% of the nominal value, of approximately US$280,418,000 (equivalent to approximately RMB1,914,415,000).

(b) On 4th March 2010, the Group entered into a land transfer agreement with Kunshan State Land Resources Bureau for a piece of land situated at both sides of Ying Zhou Lu and the south of Xin Tang He, Zhoushi Zhen, Kunshan city with a site area of approximately 292,140.4 square metres. The total consideration of the transaction is approximately HK$879,741,000 (equivalent to approximately RMB774,172,000).

(c) On 16th March 2010, the Group completed the acquisition of 100% equity interest in Panyu Zhujiang Real Estate Limited ("Panyu Zhujiang") and the disposal of 100% equity interest in Cheerocean Investments Limited ("Cheerocean") with Guangdong Hanjiang Construction Installation Project Limited ("Hanjiang"), a related company. The balance, being the difference between the consideration of the acquisition and the disposal, in the sum of RMB2,386,073,000 was settled by means of share issuance on 16th March 2010 in favour of Mr. Chu Mang Yee (Chairman), who, in return, has undertaken to the Group to pay the balance to Hanjiang. It is estimated that the completion will result in an estimated net gain after tax of approximately HK$855,000,000 (equivalent to approximately RMB753,000,000) to the Group.

FOREIGN EXCHANGE FLUCTUATIONS

The Group earns revenue and incurs costs and expenses mainly in Renminbi and is exposed to foreign exchange risk arising from the exposure of Renminbi against Hong Kong dollars and US dollars. However, the Group experienced no significant foreign exchange movement and the Directors do not anticipate any significant foreign exchange loss as a result of changes in exchange rate between Hong Kong dollars, US dollars and Renminbi in the foreseeable future.

MANAGEMENT CONTRACT

No contract 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 year.

EMPLOYEES

As at 31st December 2009, the Group, excluding its associates and jointly controlled entity, employed a total of 6,816 (as at 31st December 2008: 7,884) staff, the majority of which were employed in mainland China. Employees' costs (including Directors' emoluments) amounted to HK$401 million (2008: HK$449 million) for the year ended 31st December 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as the code of conduct regarding Directors' securities transactions during the year under review. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code during the year ended 31st December 2009.

CORPORATE GOVERNANCE

Throughout the year ended 31st December 2009, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules, except for Code provisions A.4.1 and E.1.2 as described below.

Code A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

All the independent non-executive Directors are not appointed for specific term. This constitutes a deviation from Code provision A.4.1. However, as all the independent non-executive Directors are subject to retirement by rotation at the annual general meetings of the Company in accordance with the Company's Bye-laws, in the opinion of the Directors, this meets the objective of the Code.

Code E.1.2 stipulates that the chairman of the board should attend annual general meetings. The Chairman of the Board did not attend the annual general meeting for the year 2009 due to other business commitment.

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 year under review the amount of public float as required under the Listing Rules.

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 year ended 31st December 2009.

Subsequent to 31st December 2009, the Company repurchased 25,462,000 shares of HK$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited, details of which are as follows:

Month of repurchase	**Number of shares repurchased**	**Highest price paid per share** *(HK$)*	**Lowest price paid per share** *(HK$)*	**Aggregate consideration (excluding expenses)** *(HK$)*
February 2010	25,462,000	11.00	10.18	269,402,280.00

The issued share capital of the Company was reduced by the nominal value of the repurchased shares which had been cancelled. The premium paid for the repurchase of the shares and related expenses totaling HK$267,752,000 were charged to the share premium account.

On 2nd February 2010, the Company redeemed the full amount of its US$ settled zero coupon convertible bonds due 2010 in the principal amount of RMB1,830,400,000 at an aggregate price of US$280,418,000.

AUDIT COMMITTEE AND REVIEW OF RESULTS

The Company's audit committee is composed of all the three independent non-executive Directors of the Company. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the financial statements for the year ended 31st December 2009.

The figures in this preliminary announcement of the Group's results for the year ended 31st December 2009 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

REMUNERATION COMMITTEE

The Company has established a remuneration committee comprising the three independent non-executive Directors in accordance with the requirements of the Code.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 10th June 2010 to Tuesday, 15th June 2010, both days inclusive, during which period no transfer of shares will be registered. In order to determine who are entitled to attend the Annual General Meeting to be held on Tuesday, 15th June 2010, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 9th June 2010.

ANNUAL REPORT

The 2009 annual report containing all the information required by the Listing Rules will be published on the Stock Exchange's website and the Company's website http://www.irasia.com/listco/hk/hopson in due course.

DIRECTORS

As at the date of this announcement, the Board is composed of six executive Directors, namely Mr. Chu Mang Yee (Chairman), Mr. Xiang Bin, Mr. Xue Hu (Chief Executive Officer), Mr. Au Wai Kin, Ms. Zhao Ming Feng (Chief Financial Officer), Mr. Liao Ruo Qing and three independent non-executive Directors, namely Mr. Yuen Pak Yiu, Philip, Mr. Lee Tsung Hei, David and Mr. Wong Shing Kay, Oliver.

By order of the Board
Chu Mang Yee
Chairman

Hong Kong, 22nd March 2010