

Press release

HOPEWELL HOLDINGS LIMITED ANNOUNCES FY 2010/11 FINAL RESULTS

Highlights

- Revenue, including sales proceeds of Broadwood Twelve, treasury income and HHL's attributable share of toll road and power plant revenues of jointly controlled entities, rose 59% to HK\$6,973 million.
- EBIT (before gain on completion of investment properties) increased 20% to HK\$1,855 million
- Final dividend of HK58 cents per share and special final dividend of HK45 cents per share
- A satisfactory operating performance:
 - Occupancy rates of investment properties remained at high levels with rise in average rental rates
 - Sales of units at Hopewell New Town and Broadwood Twelve received favourable response
 - Panda Hotel's business grew markedly
 - GS Superhighway, Phase I West and Phase II West aggregate average daily toll revenue rose 13% to RMB11.3 million
- A strong financial position, with net cash on hand of HK\$1,843 million for HHL at corporate level as at 30 June 2011

Hong Kong, 25 August 2011 - Hopewell Holdings Limited ("Hopewell Holdings", "HHL"; SEHK: 54), the Hong Kong-based property, infrastructure, hotel and hospitality group, today announced its final results for the year ended 30 June 2011.

For the year ended 30 June 2011, Hopewell Holdings' revenue (including sales proceeds of Broadwood Twelve, treasury income and attributable share of toll road and power plant revenues of jointly controlled entities) rose 59% to HK\$6,973 million. Earnings before interest and tax ("EBIT") before gain on completion of investment properties increased 20% to HK\$1,855 million, mainly due to (1) the property sales of Hopewell New Town and Broadwood Twelve; (2) rise in interest income; and (3) Panda Hotel's business grew markedly. EBIT, after gain on completion of investment properties, however, decreased by 51% to HK\$1,855 million because of the \$2,238 million one-off gain on completion of Broadwood Twelve recorded in the last financial year. Profit attributable to owners of the Company increased by 16% to HK\$5,576 million during the year under review.

The Board of Directors has proposed a final dividend of HK58 cents per share and special final dividend of HK45 cents per share for the financial year ended 30 June 2011. The final dividend will be paid on 2 November 2011 to shareholders who were registered at the close of business on 26 October 2011.

Annual operating profit from prime-earning businesses, namely toll roads, investment properties, hotel and hospitality, exceeds HK\$1.2 billion.

Mr. Thomas Wu, Managing Director of Hopewell Holdings, said: "We are pleased to see encouraging achievements and strong growth momentum in all our key business segments during the year under review. We also maintained a strong financial position for the development of new projects."

Net cash on hand for HHL at corporate level (excluding Hopewell Highway Infrastructure Limited (“HHI”)) amounted to HK\$1,843 million; and available committed banking facilities on hand for HHL amounted to HK\$6,920 million as of 30 June 2011, reserving sufficient financial resources for HHL’s future project development.

HHL recorded steady growth in its property investment business during the review year, with revenue increasing 8% from the previous year. In addition, HHL has made significant progress in developing and promoting its property projects:

- **Broadwood Twelve:** Sales campaign started in June 2010 and has received an encouraging response, with 45 units sold out of the 76 units as of 22 August 2011. Average price of the units sold was approximately HK\$25,200 per square foot (based on the gross floor area as stated in the marketing brochure). To maximize HHL’s income, 10 unsold units had been leased at an average monthly rental rate of about HK\$51 per square foot as of 22 August 2011. These leased units will still be available for sale.
- **GardenEast:** Driven by strong demand from residents and repeat guests from around the world, average rental rate for apartments in the year under review rose by 12% compared to the previous year. The occupancy rate was 97% as of 30 June 2011.
- **QRE Plaza:** This one-stop “Quality lifestyle, Relaxation and Entertainment” hub attracted more traffic during the review year through the marketing of “The East”. Average occupancy rate during the year under review was 90%.
- **Hopewell Centre:** Thanks to the continuous enhancement of facilities and services as well as the improved mix of tenants, Hopewell Centre’s rental income increased by 7% as compared to the previous year. Hopewell Centre opened a new office show flat in November 2010. The occupancy rate was 95% as of 30 June 2011. Average spot rent for office in January to June 2011 rose 20% year-on-year.
- **EMax/ Kowloon Bay International Trade and Exhibition Centre (“KITEC”):** Renovation program for upgrading office facilities have been underway to maintain competitiveness. As of 30 June 2011, the occupancy rate for EMax was 93% and that for office was 91%. Average spot rent for office in January to June 2011 rose 16% year-on-year.
- **Star Hall:** The 30,000 square foot world-class venue designated for various events continued to receive a promising market response.

The sales response to Hopewell New Town in Huadu, Guangzhou, which has a plot ratio gross floor area of approximately 1.11 million square meters and basement car parks of approximately 0.45 million square meters, was satisfactory. Approximately 57,000 square meters (being 4 townhouses and 574 apartments) were sold and booked during the year under review. Average selling price of apartments was around RMB6,200 per square meter for financial year 2011, whilst it reached around RMB7,000 per square meter in the second quarter of 2011. According to current planning, approximately 209,000 square meters are scheduled to be completed in financial years 2012 to 2014, of which approximately 58,000 square meters (being 80 townhouses and 448 apartments) are planned to be launched for pre-sale in the first half of financial year 2012. Pre-sale of townhouses started in July 2011 and received encouraging market responses. As of 22 August 2011, 40 townhouses of 11,500 square meters launched for pre-sale were fully pre-sold, with an average selling price of approximately RMB20,000 per square meter.

Panda Hotel recorded strong performance during the year under review. Average room occupancy and average room rate increased by 5 percentage points (to 89%) and 33% respectively as compared to the previous year. HHL strived to maintain competitiveness through facility upgrading and promotional campaigns.

The Lee Tung Street Project will provide approximately 1,300 residential units and a shopping mall in Wanchai. Construction commenced with planned completion in 2015. The residential units are

planned to be available for pre-sale in 2013. The joint venture (50:50 joint venture between Hopewell Holdings and Sino Land) signed a HK\$5 billion loan facility with banks in July 2011, which is more than adequate to fund the project.

Hopewell Centre II, with a planned total investment of about HK\$5 billion, is targeted to start construction before the end of 2011 and complete in 2016.

For the infrastructure business, HHL's attributable share of revenue from toll expressways for the year under review increased 17% to HK\$2,275 million from HK\$1,940 million in the previous year, mainly driven by the increasing car ownership and economic growth in Guangdong province, as well as the growth in passenger and freight transportation. The commencement of operation for Phase II of the Western Delta Route on 25 June 2010 also contributed to the revenue increase.

The Heyuan Power Plant, a joint venture between a subsidiary of HHL and Shenzhen Energy Group Company Limited, recorded revenue at the joint venture level of RMB3,261 million in the review year, an increase of 40% from the previous year. Net profit at the joint venture level rose slightly to RMB267 million, as the rise in revenue was largely offset by the rise in the price of coal.

HHL sold its 90% interest in Bayern Gourmet Food Company Limited in July 2011, as a reflection of its strategy of focusing on core businesses, namely property, infrastructure, hotel and hospitality.

Mr. Wu said: "Hopewell Holdings will continue to strengthen its recurrent income stream through development of our core businesses. Leveraging our solid financial position and business foundation, we are well positioned to generate long-term value for our shareholders."

Details of HHL's business development can be found at its website:

www.hopewellholdings.com

Financial Highlights

(in HK\$ million, unless otherwise stated)

For the year ended 30 June	2010 (Restated)	2011	% Change
Revenue			
- Property investment	603	650	+8%
- Hotel, restaurant and catering	327	388	+19%
- Property development	349	1,918	+450%
- Toll road investment ^{N1}	1,940	2,275	+17%
- Power plant ^{N1}	1,055	1,530	+45%
- Treasury income	13	106	+715%
- Others	95	106	+12%
Revenue	4,382	6,973	+59%
EBIT^{N2}			
- Property investment	382	400	+5%
- Hotel, restaurant and catering	55	94	+71%
- Property development	106	184	+74%
- Toll road investment (after interest and tax of JCEs)	1,029	1,065	+3%
- Power plant (after interest and tax of JCE)	118	123	+4%
- Treasury income	13	106	+715%
- Others	(157)	(117)	n/a
EBIT (before gain on completion of investment properties^{N3})	1,546	1,855	+20%
Gain on completion of Broadwood Twelve	2,238	-	-100%
EBIT (after gain on completion of investment properties^{N3})	3,784	1,855	-51%
Profit attributable to owners of the Company	4,827	5,576	+16%
EPS (Basic) (HK cents)	550	636	
Interim DPS (HK cents)	45	45	
Final DPS (HK cents)	54	58	
Special Final DPS (HK cents)	-	45	
Total DPS (HK cents)	99	148	
Net cash (after debt) at HHL corporate level ^{N4}	994	1,843	

N1: Includes share of jointly controlled entities' revenue

N2: EBIT of the Company and its subsidiaries, plus their shares of net profits (after interest and tax) of jointly controlled entities

N3: Gain arising from fair value changes of investment properties under construction up to completion of development

N4: As at 30 June

N5: In this press release, average occupancy rate refers to the average of the occupancy rate as at the end of each month in the relevant period. Occupancy rate =

$$\frac{\text{Areas already leased and occupied by tenants} + \text{Areas reserved for specific use} + \text{Areas where leases have been committed but not yet commenced}}{\text{Total lettable area}}$$

Total lettable area

- End -

For further information, please contact:

APCO Worldwide

Sukyi Yau
Office: 2826 9309
Mobile: 9030 7204
Email: syau@apcoworldwide.com

Brenda Liu
Office: 2826 9380
Mobile: 9834 6711
Email: bliu@apcoworldwide.com

Hopewell Holdings Limited

Hopewell Holdings Limited (“HHL”), the Hong Kong-based group, was listed on the Stock Exchange of Hong Kong in 1972. HHL and its subsidiaries are active in the fields of property development and investment, investment in infrastructure projects, hotel investment and management, restaurant operations and food catering.