

Press release

## HOPEWELL HOLDINGS LIMITED ANNOUNCES FY 2010/11 INTERIM RESULTS

### Highlights

- Revenue, including sales proceeds of Broadwood Twelve, treasury income and the attributable share of toll road and power plant revenues of jointly controlled entities, rose 56% to HK\$3,221 million.
- EBIT (before gain of completion of investment properties) increased 14% to HK\$883 million
- Interim dividend of HK45 cents per share
- A satisfactory operating performance:
  - Occupancy rates of investment properties were maintained at a high level
  - Sales of units at Hopewell New Town received favourable response
  - Panda Hotel's business recovered significantly from the impact of the global economic downturn in 2009
  - Aggregate average daily toll revenue of GS Superhighway, Phase I West and Phase II West rose 15% to RMB11.3 million
- A strong financial position, with a positive net cash on hand balance of HK\$1,337 million for HHL at corporate level as at 31 December 2010

**Hong Kong, 24 February 2011** - Hopewell Holdings Limited (“Hopewell Holdings”, “HHL”; SEHK: 54), the Hong Kong-based property, infrastructure, hotel and hospitality group, today announced its interim results for the six months ended 31 December 2010.

For the six months ended 31 December 2010, Hopewell Holdings' revenue (including sales proceeds of investment properties held for sale i.e. Broadwood Twelve, treasury income and attributable share of toll road and power plant revenues of jointly controlled entities) rose 56% to HK\$3,221 million. The growth was mainly driven by (1) the increase in revenue from GS Superhighway and Phase I West; and commencement of Phase II West's operations in June 2010; (2) the improvement in property investment, hotel and hospitality divisions; (3) the sales of residential units of Broadwood Twelve and Hopewell New Town; and (4) increased electricity sales of Heyuan power plant.

Earnings before interest and tax (“EBIT”) before gain of completion of investment properties increased 14% to HK\$883 million, mainly due to (1) the property sales of Hopewell New Town in Huadu; (2) rise in interest income derived from the large amount of cash on hand and (3) Panda Hotel's marked recovery from the global economic downturn in 2009. EBIT, after gain on completion of investment properties, however, decreased by 64% to HK\$883 million because of the \$1,696 million one-off completion gain of Broadwood Twelve was recorded in the last corresponding period. Therefore, profit attributable to owners of the Company decreased by 31% to HK\$1,733 million during the period under review.

The Board of Directors has declared an interim dividend of HK45 cents per share for the financial year ending 30 June 2011 (30 June 2010: HK45 cents per share). The interim dividend will be paid on 17 March 2011 to those shareholders as registered at the close of business on 11 March 2011.

Mr. Thomas Wu, Managing Director of Hopewell Holdings, said: “We are pleased to see strong growth momentum and steady improvements in all our key business segments during the review period. Our investment property business continued to thrive, with an increase in rental income.”

Net cash on hand for HHL at corporate level (excluding HHI) amounted to HK\$1,337 million; and available committed banking facilities on hand for HHL amounted to HK\$12,850 million as of 31 December 2010, reserving sufficient resources for HHL's future project development.

HHL recorded healthy growth in its property investment business during the period under review, with revenue increasing 10% from the last corresponding period. Additionally, 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 23 units sold out of the 30 units launched for sale as of 21 February 2011. Average price of the units sold was approximately HK\$25,430 per square foot (based on gross floor area as disclosed in the sales brochure). With a view to maximizing HHL's income, 7 unsold units had been leased at an average monthly rental rate of about HK\$50 per square foot as of 21 February 2011. These leased units are still available for sale.
- **GardenEast:** Driven by strong demand from residents and repeat guests from around the world, the average occupancy rate of these serviced apartments stayed high at 96% during the period under review, while average rental rate as of December 2010 rose by around 11% compared to 12 months earlier.
- **QRE Plaza:** Average occupancy rate for this one-stop "Quality lifestyle, Relaxation and Entertainment" hub reached 96% during the period under review.
- **Hopewell Centre:** Thanks to the continuous enhancement of facilities and services as well as the improved mix of tenants, Hopewell Centre's average occupancy rate increased to 90% during the review period while overall rental income increased by 12% as compared to the last corresponding period. Hopewell Centre opened a new office show flat in November 2010 to keep existing and prospective office tenants updated about the recent and forthcoming upgrade works at Hopewell Centre.
- **EMax/ Kowloon bay International Trade and Exhibition Centre ("KITEC"):** Overall average occupancy rate including retail space at EMax and the office portion of KITEC (formerly named "HITEC") was approximately 87% for the period under review. A rebranding campaign was launched on 1 January 2011.
- **Star Hall:** The 30,000 square foot world-class venue designated for various events continued to receive a promising market response. More than 50 concerts of various sizes were held in KITEC's convention and facilities venues during the period under review.

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 carparks of approximately 0.38 million square meters, was satisfactory. Approximately 25,000 square meters (being 3 townhouses and 247 apartments) were sold and booked during the period under review. According to current planning, approximately 58,000 square meters (being 448 apartments and 80 townhouses) are planned to be launched for pre-sales in the third quarter of 2011.

The period under review saw a rebound of Panda Hotel's performance due to global economic recovery. Room occupancy and the average room rates increased by 10 percentage points and 35% respectively as compared to the last corresponding period. They rose 1 percentage point and 12% respectively as compared to the corresponding period in 2008.

The Lee Tung Street Project will provide approximately 1,200 premium 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. This project will provide synergy to HHL's existing properties in Wanchai as well as the upcoming Hopewell Centre II 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, revenue of toll expressways for the period under review increased 17% to HK\$1,122 million from HK\$955 million in the previous corresponding period, driven by the growth in passenger and freight transportation, strong car ownership and economic growth in Guangdong Province, together with the commencement of operations of Phase II of the Western Delta Route.

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 RMB1,505 million in the review period, an increase of 20% from the last corresponding period. Despite this increase, net profit at the joint venture level decreased 37% to RMB120 million in the same period, as the rise in revenue was offset by the rise in the price of coal.

Mr. Wu said: “Hopewell Holdings will continue to strengthen its recurrent income stream through development of our property, infrastructure, hotel and hospitality 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](http://www.hopewellholdings.com)

## Financial Highlights

(in HK\$ million, unless otherwise stated)

For the six months ended 31 December	2009	2010	% Change
<b>Revenue</b>			
- Property investment	293	321	+10%
- Hotel, restaurant and catering	147	181	+23%
- Property development	51	806	+1,480%
- Toll road investment <sup>N1</sup>	955	1,122	+17%
- Power plant <sup>N1</sup>	570	696	+22%
- Treasury income	5	40	+700%
- Others	48	55	+15%
<b>Revenue</b>	<b>2,069</b>	<b>3,221</b>	<b>+56%</b>
<b>EBIT<sup>N2</sup></b>			
- Property investment	190	208	+9%
- Hotel, restaurant and catering	20	45	+125%
- Property development	6	77	+1183%
- Toll road investment (after interest and tax of JCEs)	542	520	-4%
- Power plant (after interest and tax of JCE)	86	55	-36%
- Treasury income	5	40	+700%
- Others	(73)	(62)	n/a
<b>EBIT (before completion gain of investment properties<sup>N3</sup>)</b>	<b>776</b>	<b>883</b>	<b>+14%</b>
Completion gain of Broadwood Twelve	1,696	0	-100%
<b>EBIT (after completion gain of investment properties<sup>N3</sup>)</b>	<b>2,472</b>	<b>883</b>	<b>-64%</b>
Profit attributable to owners of the Company	2,525	1,733	-31%
EPS (Basic) (HK cents)	287	198	-31%
Interim DPS (HK cents)	45	45	
Net cash (after debt) at HHL corporate level <sup>N4</sup>	809	1,337	+65%

N1: Includes share of jointly controlled entities' revenue

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

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

N4: As at 31 December

- End -

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**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.