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恒隆地產有限公司

HANG LUNG PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00101)

2025 INTERIM RESULTS

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FINANCIAL HIGHLIGHTS

in HK\$ Million (unless otherwise stated)

RESULTS

For the six months ended June 30

	2025				2024			
	Property Leasing	Property Sales	Hotels	Total	Property Leasing	Property Sales	Hotels	Total
Revenue	4,678	161	129	4,968	4,816	1,228	70	6,114
- Mainland China	3,190	10	129	3,329	3,268	25	70	3,363
- Hong Kong	1,488	151	-	1,639	1,548	1,203	-	2,751
Operating profit/(loss)	3,346	(57)	(34)	3,255	3,444	(11)	(3)	3,430
- Mainland China	2,176	(26)	(34)	2,116	2,227	(20)	(3)	2,204
- Hong Kong	1,170	(31)	-	1,139	1,217	9	-	1,226
Underlying net profit/(loss) attributable to shareholders	1,651	(30)	(34)	1,587	1,760	(22)	(3)	1,735
Net decrease in fair value of properties attributable to shareholders	(675)	-	-	(675)	(674)	-	-	(674)
Net profit/(loss) attributable to shareholders	976	(30)	(34)	912	1,086	(22)	(3)	1,061
	At June 30, 2025				At December 31, 2024			
Shareholders' equity	133,128				131,587			
Net assets attributable to shareholders per share (HK\$)	\$26.6				\$27.5			

Earnings and Dividends (HK\$)

	2025	2024
Earnings per share		
- Based on underlying net profit attributable to shareholders	\$0.33	\$0.38
- Based on net profit attributable to shareholders	\$0.19	\$0.23
Interim dividend per share	\$0.12	\$0.12

Financial Ratios

	At June 30, 2025	At December 31, 2024
Net debt to equity ratio	33.5%	33.4%
Debt to equity ratio	38.3%	40.7%

REVIEW OF OPERATIONS

RESULTS HIGHLIGHTS

The first half of 2025 was marked by a challenging operating environment for the real estate sectors in both Hong Kong and mainland China. Persistently weak economic sentiment in mainland China, along with shifting consumption patterns among Hong Kong residents, continued to influence overall market conditions. That said, Hang Lung Properties Limited (the “Company”) and its subsidiaries (collectively known as “Hang Lung Properties”) maintained strong fundamentals in occupancy and operational execution, which helped offset the impact of these external pressures. Core property leasing revenue was resilient despite Renminbi (RMB) being depreciated in the same period. Occupancy levels across both Hong Kong and mainland China remained high, supported by ongoing tenant mix optimization.

In mainland China, despite softened consumer sentiment affecting sales rent, our malls continued to perform steadily, revenue remained stable by maintaining occupancy above 90% in most of our malls.

In Hong Kong, proactive tenant retention measures helped achieve a stable occupancy rate in retail and office portfolio. The residential and serviced apartments segment benefited from the government’s talent admission regime, with occupancy and revenue increasing by nine points and 11% period-on-period, respectively.

In the first half of 2025, Hang Lung Properties recorded total revenue of HK\$4,968 million (2024: HK\$6,114 million). Overall operating profit was HK\$3,255 million (2024: HK\$3,430 million). Revenue and operating profit from property leasing were HK\$4,678 million (2024: HK\$4,816 million) and HK\$3,346 million (2024: HK\$3,444 million), respectively. Property sales revenue recorded HK\$161 million (2024: HK\$1,228 million). Hotel revenue reported HK\$129 million (2024: HK\$70 million).

The Company has continued to make investments that are expected to support long-term development, such as Phase Two development of Center 66 in Wuxi, Westlake 66 in Hangzhou, Plaza 66’s Pavilion Extension in Shanghai, the launch of the NET•WORK coworking space in Hong Kong, among others. To commemorate Hang Lung’s 65th anniversary, a series of nationwide events and marketing campaigns have generated significant foot traffic, and engagement with our customers. These initiatives are expected to improve sales and strengthen brand loyalty in the long run.

CONSOLIDATED RESULTS

The total revenue of Hang Lung Properties for the six months ended June 30, 2025 was HK\$4,968 million, representing a 19% decrease against the same period last year, primarily due to decrease in contributions from property sales by 87% to HK\$161 million. Overall operating profit decreased by 5% to HK\$3,255 million. Revenue and operating profit from property leasing both decreased by 3% to HK\$4,678 million and HK\$3,346 million, respectively, as consumption slowdown and the subdued office demand in both Hong Kong and mainland China persisted into 2025. Due to expansion of our hotel portfolio, revenue rose by 84% to HK\$129 million while operating loss after depreciation increased to HK\$34 million.

Underlying net profit attributable to shareholders decreased by 9% to HK\$1,587 million, mainly due to lower operating leasing profits and higher finance costs. Underlying earnings per share fell correspondingly to HK\$0.33.

Hang Lung Properties reported a net profit attributable to shareholders of HK\$912 million (2024: HK\$1,061 million) when including a net revaluation loss on properties attributable to shareholders of HK\$675 million (2024: HK\$674 million). The corresponding earnings per share was HK\$0.19 (2024: HK\$0.23).

Revenue and Operating Profit for the Six Months Ended June 30

	Revenue			Operating Profit/(Loss)		
	2025	2024	Change	2025	2024	Change
	HK\$ Million	HK\$ Million		HK\$ Million	HK\$ Million	
Property Leasing	4,678	4,816	-3%	3,346	3,444	-3%
Mainland China	3,190	3,268	-2%	2,176	2,227	-2%
Hong Kong	1,488	1,548	-4%	1,170	1,217	-4%
Property Sales	161	1,228	-87%	(57)	(11)	-418%
Mainland China	10	25	-60%	(26)	(20)	-30%
Hong Kong	151	1,203	-87%	(31)	9	N/A
Hotels (Mainland China)	129	70	84%	(34)	(3)	N/A
Total	4,968	6,114	-19%	3,255	3,430	-5%

DIVIDEND

The board of directors (the “Board”) of the Company has declared an interim dividend of HK12 cents per share for 2025 (2024: HK12 cents) to shareholders whose names are listed on the register of members of the Company on August 15, 2025.

The Board proposes that eligible shareholders be given the option to receive the interim dividend in cash, or in the form of new shares in lieu of cash in respect of part or all of such dividend (the “Scrip Dividend Arrangement”). The Scrip Dividend Arrangement is conditional upon The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to the Scrip Dividend Arrangement.

A circular containing details of the Scrip Dividend Arrangement and the form of election for scrip dividend is expected to be despatched to the eligible shareholders on or about August 25, 2025. It is expected that the interim dividend warrants and the share certificates to be issued under the Scrip Dividend Arrangement will be despatched to the shareholders on or about September 24, 2025.

PROPERTY LEASING

For the six months ended June 30, 2025, overall rental revenue decreased by 3% to HK\$4,678 million. Despite a complex market environment, Hang Lung Properties remains focused on long-term value creation and strategic growth.

In mainland China, the high-end retail market faced challenges such as economic uncertainty, changing consumer behaviors, and competitive pressures from both domestic and international markets. The United States’ (U.S.) tactics on trade tariffs created business uncertainties which may result in slowdown in economic growth. Despite this backdrop, our mall portfolio demonstrated resilience following successful implementation of effective marketing effort and operational strategies. The office market remains in a prolonged recovery phase due to cautious business sentiment and continued pressure from high supply volumes. As a result, rental revenue of Mainland portfolio declined by 1% in RMB terms and 2% in HKD terms after considering the RMB depreciation against the same period last year.

The Chinese Central Government has ramped up its stimulus policies including refining its instant tax refund policy with a move to boost consumption and inbound tourism. We are strategically aligning our business operations to capitalize on these supportive measures. Reacting to the government’s initiatives and to celebrate our Hang Lung’s 65th anniversary, a series of nationwide

events and marketing campaigns together with offerings and promotions via HOUSE 66 - our customer relationship management (CRM) program - have been launched since early 2025.

Thanks to our leasing team's strategic efforts, overall rental revenue from our mall portfolio remained stable while tenant sales dropped by 4% in RMB terms period-on-period. Overall occupancy level at the end of the period edged up one point to 94% and remained high after ongoing strategic refinement in tenant mix. Office portfolio reported a 5% decline in revenue period-on-period, mainly driven by oversupply in Shanghai Grade A office markets and competitors' aggressive strategies for maintaining occupancy. Despite these market pressures, we successfully maintained high property management service standards and actively worked to retain our high-quality tenants.

Hong Kong's retail market experienced a sustained downturn in the first half of 2025 as the Chinese tourists' and local residents' evolving consumption patterns continued to curtail retail sales performance. Although the numbers of both Mainland and overseas travelers observed steady growth, partly driven by the mega event economy, visitor spending has remained subdued. As a result, our Hong Kong portfolio recorded a 4% decrease in rental revenue, with the lower contribution from retail leasing partially compensated by improvement in the residential and serviced apartments segment.

On the positive side, the increased tourist foot traffic stabilized the food and beverage sector which helped mitigate the effects of reduced spendings. Retail portfolio's overall rental revenue and tenant sales retreated by 7% and 2%, respectively. We managed to maintain a high level of occupancy, bolstered by our strategic tenant mix optimization and targeted promotional campaigns through our "hello Hang Lung Malls Rewards Program". The office market stayed challenging, with reduced demand for prime office space and an ample supply of offices resulting in declining rents and high vacancies. Our office segment recorded a 1% drop in revenue during the period. Nevertheless, our proactive tenant retention strategies have helped maintain an overall stable occupancy level, which stood at 87% at the end of the period compared to 89% a year earlier.

Mainland China¹

Property Leasing – Mainland Portfolio for the Six Months Ended June 30

	Revenue (RMB Million)		
	2025	2024	Change
Malls	2,412	2,414	-
Offices	528	556	-5%
Serviced Apartments	1	-	N/A
Total	2,941	2,970	-1%
<i>Total in HK\$ Million equivalent</i>	<i>3,190</i>	<i>3,268</i>	<i>-2%</i>

Overall rental revenue and operating profit in RMB terms both declined by 1%. The depreciation of the RMB during the period inflated these decreases to 2% in HKD terms. Amid the increase in outbound travel and softened consumer sentiment in mainland China, our malls maintained an overall high occupancy level and generated a stable revenue. Our premium office portfolio fell by 5%, primarily due to the reduced demand for office spaces within a highly competitive market.

● *Malls*

Overall revenue of our mall portfolio remained stable in the first half of 2025. We strategically launched an array of marketing initiatives tailored to distinct customers' preferences to stimulate consumption and boost traffic so as to counteract the muted performance in high-end sales caused by customers' cautious spending patterns. Most malls experienced period-on-period revenue growth except for Riverside 66 in Tianjin, Heartland 66 in Wuhan and Forum 66 in Shenyang owing primarily to lower sales rents as peers implemented aggressive price and promotion strategies. However, overall occupancy remained high by the end of the period.

In response to the evolving retail landscape and to better align with consumer behavior changes, we have been significantly enhancing the brands mix across all our malls, adhering to our customer-centric operating strategy. Consequently, we are refining the presentation of our Mainland portfolio by discontinuing the luxury and sub-luxury designations for malls starting from 2025.

¹ Percentage changes pertaining to the Mainland portfolio are expressed in RMB terms unless otherwise specified.

Property Leasing – Mainland Mall Portfolio for the Six Months Ended June 30

Name of Mall and City	Revenue			Period-end Occupancy Rate		
	(RMB Million)			June	December	June
	2025	2024	Change	2025	2024	2024
Plaza 66, Shanghai	822	819	-	98%	99%	100%
Grand Gateway 66, Shanghai	597	589	1%	99%	99%	97%
Center 66, Wuxi	245	226	8%	96%	99%	99%
Spring City 66, Kunming	162	152	7%	99%	98%	98%
Olympia 66, Dalian	159	144	10%	94%	94%	93%
Parc 66, Jinan	159	158	1%	94%	93%	92%
Palace 66, Shenyang	83	80	4%	96%	94%	92%
Riverside 66, Tianjin	82	84	-2%	94%	95%	94%
Heartland 66, Wuhan	76	119	-36%	88%	85%	83%
Forum 66, Shenyang	27	43	-37%	86%	87%	82%
Total	2,412	2,414	-			

Our flagship **Plaza 66** mall in Shanghai maintained a high occupancy rate of 98% at the end of the period while revenue remained stable. Tenant sales fell by 8% as our customers demonstrated more restrained high-end spending. To strengthen its standing as Shanghai’s top lifestyle landmark, the mall hosted the global premiere of the renowned Japanese artist Takashi Murakami’s Ohana Hatake Immersive Garden Experience, Goyard’s Le Jardin Garden, as well as various events curated by over 100 international brands, which attracted significant media coverage and foot traffic.

Also in Shanghai, the **Grand Gateway 66** mall reported a growth in revenue and tenant sales of 1% and 10%, respectively. To boost foot traffic and tenant sales, we introduced several first-to-market stores and various marketing campaigns over the period, including an event collaboration with the globally popular IP “ButterBear” that gained significant traction on social media and strengthened the mall’s brand equity among youngsters and families. The occupancy rate remained high at 99% at the end of the period.

The **Center 66** mall in Wuxi achieved revenue growth of 8% despite a 4% drop in tenant sales. Our marketing events “Wiggle We Go” for Hang Lung’s 65th anniversary attracted widespread attention on social media and increased foot traffic, especially among youngsters. Occupancy stood at 96% at the end of the period.

In Kunming, the **Spring City 66** mall achieved revenue growth of 7% despite a 1% decline in tenant sales. The occupancy rate grew one point to 99% by the end of the period. Our exclusive VIC lounge, The Lounge, opened in November 2024, providing exclusive high-end shopping experiences to HOUSE 66 members. The opening of Grand Hyatt Kunming in August 2024, along with the newly opened bridge linking our mall to the hotel in March 2025, is expected to further solidify the mall's status as a premier retail and lifestyle destination in Southwestern China.

Our signature development in Dalian, **Olympia 66**, achieved 10% and 13% growth in revenue and tenant sales, respectively. The occupancy rate stood at 94% at the end of the period. This stable growth was driven by ongoing enhancements in brand and trade-mix upgrades across categories and floors. As part of 65th anniversary celebrations with five other malls, Olympia 66's "Wiggle We Go" campaign received positive customer feedback and attracted significant foot traffic.

Revenue and tenant sales of **Parc 66** in Jinan both rose by 1%. The occupancy rate edged up two points to 94% at the end of the period. The remaining phase of the Asset Enhancement Initiative (AEI) was completed in January 2025, improving customer flow and introducing a wider range of brands and exclusive stores. These enhancements have strengthened the mall's appeal to visitors and are expected to support long-term profitability.

Revenue and tenant sales of **Palace 66** in Shenyang increased by 4% and 10%, respectively. Our renovated food court and the addition of diverse new food and beverage concepts are attracting a wider range of customers and increasing foot traffic. Effective marketing initiatives during the Golden Week of May further enhanced customer spending and foot traffic. Occupancy rate grew four points to 96% by the end of the period.

Riverside 66 in Tianjin recorded a decline in revenue of 2% while tenant sales increased by 2%. The occupancy rate remained at 94%. We successfully implemented a variety of marketing programs, such as Valentine's Day and the "Wiggle We Go" campaigns. To boost foot traffic and customer loyalty, we have continued to refine the mall's tenant mix and proactively enhance our HOUSE 66 CRM program.

Due to intense promotion competition in the city, revenue and tenant sales of the **Heartland 66** mall in Wuhan declined by 36% and 31%, respectively. We continue to strengthen our market position and maintain consumer loyalty through trade mix enhancement, our HOUSE 66 CRM program, and prestige services in the VIC lounge, The Lounge. We also executed proactive marketing to differentiate ourselves in the highly competitive landscape. Occupancy rate grew five points to 88% at the end of the period.

Revenue and tenant sales at the **Forum 66** mall in Shenyang fell by 37% and 58%, respectively. At the end of the period, occupancy rate stood at 86%. The mall has been undergoing a strategic transitioning in 2025, which includes enriching the mall's selection of lifestyle and trendy fashion and sports brands, as well as expanding food and beverage options.

● *Offices*

The office leasing market remained sluggish amid economic uncertainties. Overall revenue dropped by 5% to RMB528 million compared to the previous period, mainly caused by both lower occupancy rates and negative rental reversions. The Grade A office towers at Plaza 66 in Shanghai accounted for 82% of the total revenue reduction as tenant relocations and shifting demand patterns, fueled by cost-driven upgrades, are actively reshaping the city's Grade A office market. Despite these market pressures, we successfully maintained high property management service standards and actively worked to retain our high-quality tenants.

Property Leasing – Mainland Office Portfolio for the Six Months Ended June 30

Name of Office and City	Revenue			Period-end Occupancy Rate		
	(RMB Million)			June	December	June
	2025	2024	Change	2025	2024	2024
Plaza 66, Shanghai	289	312	-7%	82%	87%	88%
Spring City 66, Kunming	67	70	-4%	84%	86%	87%
Forum 66, Shenyang	60	61	-2%	89%	90%	90%
Center 66, Wuxi	60	60	-	83%	88%	89%
Heartland 66, Wuhan	52	53	-2%	63%	66%	68%
Total	528	556	-5%			

Our two Grade A office towers at **Plaza 66** in Shanghai recorded a decline in revenue of 7%, due to drop in unit rent as local market conditions remained soft amid continued challenges. Occupancy rate decreased by six points to 82% by the end of the period. Both excessive supply and pressures on market rent in Shanghai continued to be a challenge over the reporting period.

The office tower at **Spring City 66** in Kunming recorded a 4% decline in revenue, occupancy rate fell by three points to 84% at the end of the period. We maintained our market leadership position by leveraging our prime location as well as the first-rate amenities and services.

Revenue of the office tower at **Forum 66** in Shenyang decreased by 2% due to weak demand and an oversupply of new office premises in the district. Occupancy rate dropped by one point to

89% at the end of the period.

Total revenue of the two office towers at **Center 66** in Wuxi stayed flat while occupancy rate decreased six points to 83% at the end of the period. Our premium offerings and superior services, as well as the flexibility and product diversity offered by our self-operated multifunctional workspace, HANGOUT, enabled us to achieve a steady growth in unit rent during the period.

For the office tower at **Heartland 66** in Wuhan, revenue decreased by 2% and occupancy rate dropped by five points to 63% at the end of the period. Amid challenging market conditions, our self-operated multifunctional workspace, HANGOUT, will continue to offer flexible office layouts to suit various types of tenants, catering to the evolving needs of businesses and promoting collaboration among tenants.

Hong Kong

Hong Kong residents' cautious spending patterns and Mainland visitors' evolving travel habits continued to weigh on domestic consumption in the first half of 2025. The office market remained challenging, as the weak economic sentiment and conservative plans for business expansion continued to impact leasing demand.

Revenue and operating profits declined by 4% to HK\$1,488 million and by 4% to HK\$1,170 million, respectively, with a rental margin of 79%.

However, ongoing tenant mix optimization tailored to the preferences and behaviors of both locals and tourists has resulted in occupancy remaining well-managed and maintained at a high level.

Property Leasing – Hong Kong Portfolio for the Six Months Ended June 30

	Revenue			Period-end Occupancy Rate		
	(HK\$ Million)			June	December	June
	2025	2024	Change	2025	2024	2024
Retail	874	940	-7%	94%	95%	97%
Offices	502	507	-1%	87%	88%	89%
Residential & Serviced Apartments	112	101	11%	82%	88%	73%
Total	1,488	1,548	-4%			

- *Retail*

Revenue from our Hong Kong retail portfolio declined by 7% to HK\$874 million. To address weak consumer demand, we further refined our leasing strategy and optimized our tenant mix. At the end of the period, the overall occupancy remained high at 94%.

Amid weakened market sentiment, tenant sales saw a slight decline of 2%. To boost consumption, we will continue implementing targeted promotional campaigns under the “hello Hang Lung Malls Rewards Program”.

The revenue from retail properties in **Central Business and Tourist District Portfolio** decreased by 9% as a result of negative rental reversions and lease restructurings that were concluded for some anchor tenants. Occupancy stayed strong at 95% period-on-period.

In a market environment where local residents are showing more cautious spending habits, overall revenue of **Community Mall Portfolio** decreased by 5% period-on-period and occupancy dropped to 94% at the end of the period.

- *Offices*

Revenue fell by 1% to HK\$502 million following negative rental reversions and pressure from declining rental prices caused by oversupply. Proactive measures such as offering fitted office or subdividing premises to cater to tenant needs were implemented to secure a relatively high occupancy level of 87% at the end of the period.

Despite facing negative rental reversion in an office market experiencing oversupply, our **Hong Kong Island Portfolio** revenue remained stable and was accompanied by an increase in occupancy of one point to 83% period-on-period. We launched NET•WORK, a dynamic and flexible office space strategically located inside Central’s iconic Standard Chartered Bank Building, in the first half of the year. The market responded favorably to the soft launch, resulting in a 64% occupancy rate at the end of the period.

Revenue of our **Kowloon Portfolio** dropped by 3% due to a decline in occupancy by three points to 93%, as semi-retail operators remain cost-conscious and rental corrections persisted.

- *Residential & Serviced Apartments*

Benefiting from the talent admission regime introduced by the Hong Kong government, an

expanded customer base and the offering of flexible terms in serviced apartments have led to a 11% period-on-period increase in revenue for our residential and serviced apartments segment.

PROPERTY SALES AND DISPOSAL OF INVESTMENT PROPERTIES

In the first half of 2025, revenue of HK\$161 million (2024: HK\$1,228 million) was recognized for the sale of 19 residential units at The Aperture in Hong Kong and one unit at Heartland Residences in Wuhan.

Taking into account the gross loss from the sale of properties in mainland China and Hong Kong and associated selling expenses, marketing expenses, and other operating expenditures, an operating loss from property sales of HK\$57 million was recorded for the first half of 2025.

As of June 30, 2025, the contracted property sales yet to be recognized amounted to HK\$47 million, comprising pre-sale of two units at The Aperture and two units at Grand Hyatt Residences Kunming. The revenue will be recognized upon sale completion.

In the first half of 2025, the Company disposed of an investment property, a duplex unit at Summit at The Peak on Hong Kong Island. The sale was completed and a gain on disposal of HK\$27 million was recognized under Other Net Income during the period.

HOTELS

(for the Six Months Ended June 30)

	Revenue (RMB Million)			Average Occupancy Rate	
	2025	2024	Change	2025	2024
Conrad Shenyang	62	64	-3%	70%	68%
Grand Hyatt Kunming [#]	57	-	N/A	59%	N/A
Total	119	64	86%		
<i>Total in HK\$ Million equivalent</i>	129	70	84%		

[#] opened in August 2024

Despite a 3% decrease in revenue compared to the same period last year, **Conrad Shenyang** maintained its leading position in the rooms market. The hotel faced challenges in both room revenue and food and beverage revenue due to a weaker market across the city and a decline in consumer spending.

Grand Hyatt Kunming, a five-star hotel offering 331 guestrooms and five distinct dining venues within the Spring City 66 mixed-use complex, opened in August 2024. Despite weak consumer sentiment affecting food and beverage revenue, room revenue is gaining momentum month by month and has achieved market leadership. The hotel generated revenue of RMB57 million during the first half of the year.

PROPERTY REVALUATION

As of June 30, 2025, the total value of our investment properties and those under development amounted to HK\$193,230 million, including the Mainland portfolio of HK\$130,860 million and the Hong Kong portfolio of HK\$62,370 million. These properties were appraised by Savills, an independent valuer, as of June 30, 2025.

A revaluation loss of HK\$201 million was recorded (2024: loss of HK\$634 million).

The Mainland portfolio recorded a revaluation loss of HK\$32 million (2024: loss of HK\$351 million), representing less than 1% of the portfolio value as of December 31, 2024.

The Hong Kong portfolio recorded a revaluation loss of HK\$169 million (2024: loss of HK\$283 million), representing less than 1% of the portfolio value as of December 31, 2024.

Net revaluation loss after tax and non-controlling interests of HK\$675 million was reported (2024: net revaluation loss of HK\$674 million).

PROPERTY DEVELOPMENT AND CAPITAL COMMITMENT

The aggregated values of our projects under development for leasing and sale were HK\$26,137 million and HK\$8,118 million, respectively. These comprised projects in Wuxi, Hangzhou, Shanghai and Shenyang in mainland China, as well as redevelopment projects in Hong Kong. As of the reporting date, our capital commitments for the development of investment properties amounted to HK\$12,091 million.

Mainland China

Center Residences in Wuxi and **Xi Zhe Wuxi, Curio Collection by Hilton**, a lifestyle hotel, form the Phase Two development of Center 66. The residences comprise two high-rise

residential towers that house a total of over 500 units. There will also be a seven-story new-build tower and a three-story heritage building offering a combined total of 105 hotel rooms. The project is scheduled for completion in phases from the second half of 2025 onwards. The Center Residences pre-sale will launch in the third quarter of 2025, while the opening of the hotel is slated for the second half of 2025.

Westlake 66 in Hangzhou is an integrated high-end commercial development consisting of a retail podium, five Grade A office towers, and a luxury hotel: **Mandarin Oriental Hangzhou**. The completion certificate was obtained in July 2025. Featuring 194 premium guestrooms and suites, the hotel is expected to open in the second half of 2026. The remaining sections of the development are scheduled to be ready for use in phases from the second half of 2025 onwards.

As part of the ongoing enhancement efforts in Jing'an District, Shanghai, we have initiated the Pavilion Extension at **Plaza 66**. This will feature a commercial area of approximately 3,080 square meters, comprising a three-story podium dedicated to retail and dining activities, as well as a basement level that connects to the existing shopping mall. The project is anticipated to be completed in 2026, and aims to offer customers an enriched shopping experience while bolstering the mall's prominent status within the city.

For the remaining mixed-use development of **Forum 66** in Shenyang with a site area of 44,000 square meters, we are temporarily designating it for the development of an urban park to enhance community well-being while monitoring the market conditions. This area aims to provide vibrant gathering spaces for families and visitors, energize surrounding areas, and create foot traffic.

Hong Kong

The land acquisition at 37 Shouson Hill Road in the Southern District of Hong Kong Island was completed in February 2021. The land site will be redeveloped into luxury houses. Demolition work was completed in June 2025.

The acquisition of all units at 8-12A Wilson Road in Jardine's Lookout of Hong Kong Island was completed in January 2025. This redevelopment project, with an expected gross floor area of approximately 25,800 square feet, will consist of detached luxury houses with spacious gardens overlooking the east of Mid-Levels and the Central skyline. The development scheme was approved by government in May 2025.

FINANCING MANAGEMENT

We maintain an appropriate capital structure with multiple financing channels to ensure that financial resources are always available to meet operational needs and corporate expansions. A sufficient level of standby banking facilities is in place to cushion Hang Lung Properties from any unexpected external economic shocks.

All financial risk managements, including debt refinancing, foreign exchange exposure, and interest rate volatility, are centrally managed and controlled at the corporate level. We use interest rate and foreign currency swaps as appropriate solely for risk management and hedging activities. Funding needs are closely monitored and regularly reviewed to allow for a fair degree of financial flexibility and liquidity while optimizing the cost of funds. We also maintain various sources of debt financing to mitigate concentration risk and diversify the funding channels.

For debt portfolio management, we focus on mitigating foreign exchange, interest rate, and refinancing risks through a mix of HKD/RMB/USD borrowings, fixed/floating-rate debts, a staggered debt repayment profile, and a diversified source of funding.

● *Cash Management*

Total cash and bank balances at the reporting date by currency:

	At June 30, 2025		At December 31, 2024	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Denominated in:				
HKD	3,951	57%	8,367	81%
RMB	2,953	43%	1,934	19%
USD	1	-	2	-
Total cash and bank balances	6,905	100%	10,303	100%

All deposits are placed with banks carrying strong credit ratings with thresholds set for concentration management with counterparty risk is routinely monitored.

● *Debt Portfolio*

At the balance sheet date, total borrowings amounted to HK\$54,767 million (December 31, 2024: HK\$57,376 million), of which 43% was denominated in RMB, which acts as a natural hedge to

net investments in mainland China.

Our fixed-rate borrowings primarily consist of bonds, fixed-rate bank loans, and floating-rate bank loans that are converted to fixed-rate through the use of interest rate swaps. The percentage of fixed-rate borrowings accounted for 43% of total borrowings as of June 30, 2025. After excluding the onshore floating-rate debts, the percentage of fixed-rate borrowings would be 60% of total offshore borrowings as of June 30, 2025 (December 31, 2024: 56%).

The composition of our debt portfolio can be categorized as follows:

(i) by currency (after currency swap):

	At June 30, 2025		At December 31, 2024	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Denominated in:				
HKD	31,376	57%	36,705	64%
RMB	23,391	43%	20,671	36%
Total borrowings	54,767	100%	57,376	100%

(ii) by fixed or floating interest (after interest rate swap):

	At June 30, 2025		At December 31, 2024	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Fixed	23,399	43%	23,725	41%
Floating	31,368	57%	33,651	59%
Total borrowings	54,767	100%	57,376	100%

● *Gearing Ratios*

At the balance sheet date, the net debt balance amounted to HK\$47,862 million (December 31, 2024: HK\$47,073 million). The net debt to equity ratio was 33.5% (December 31, 2024: 33.4%), and the debt-to-equity ratio was 38.3% (December 31, 2024: 40.7%). The increase in net debt to equity ratio was largely due to increased capital expenditures in both mainland China and Hong Kong.

● *Maturity Profile and Refinancing*

At the balance sheet date, the average tenure of our debt portfolio was 3.0 years (December 31, 2024: 2.9 years). The maturity profile staggered over more than 11 years. Around 71% of our outstanding debt would be repayable after two years (December 31, 2024: 65%).

In January 2025, we successfully signed a HK\$10 billion five-year syndicated term loan and revolving credit facility, which lengthens our loan maturity profile and enhances our funding sources for business development.

	<u>At June 30, 2025</u>		<u>At December 31, 2024</u>	
	<u>HK\$ Million</u>	<u>% of Total</u>	<u>HK\$ Million</u>	<u>% of Total</u>
Repayable:				
Within 1 year	6,407	12%	9,340	16%
After 1 but within 2 years	9,563	17%	10,859	19%
After 2 but within 5 years	35,003	64%	33,295	58%
Over 5 years	3,794	7%	3,882	7%
Total borrowings	54,767	100%	57,376	100%

As of June 30, 2025, total undrawn committed banking facilities amounted to HK\$21,753 million (December 31, 2024: HK\$12,535 million). The available balances of the US\$4 billion (December 31, 2024: US\$4 billion) medium-term note program amounted to US\$2,398 million, equivalent to HK\$18,826 million (December 31, 2024: HK\$16,134 million).

● *Net Finance Costs and Interest Cover*

For the first half of 2025, gross finance costs decreased by 7% to HK\$988 million. The lower average effective cost of borrowing of 3.9% (2024: 4.3%) (attributed to the lower interest rate environment and the effective cost of borrowing management from the debt market) outweighed the higher interest from the increase in average borrowings which was primarily for capital expenditure.

The net amount charged to the statement of profit or loss (after excluding capitalized amounts) increased to HK\$497 million. A number of Hong Kong and Mainland projects ceased capitalization of interests upon completion in 2024, which means fewer projects were eligible for interest capitalization.

Interest cover for the six months of 2025 was 3.1 times (2024: 3.0 times).

- *Foreign Exchange Management*

The primary exchange rate risk that we are exposed to is RMB fluctuations. This exposure is mainly derived from the currency translation risk arising from the net assets of our subsidiaries in mainland China.

We practice strict discipline of not speculating on the exchange rate movement of RMB against HKD and maintaining an appropriate level of RMB-denominated resources for capital requirements in mainland China, including cash inflows from local operations and RMB-denominated borrowings. Regular business reviews are carried out to assess the level of funding needed for our projects in mainland China, taking into account factors such as regulatory updates, project development timelines, and the macroeconomic environment. Appropriate modifications to our funding plan will be conducted whenever necessary.

As of June 30, 2025, net assets denominated in RMB accounted for approximately 70% of our total net assets. RMB appreciated against the HKD by 1.5% as compared to that as of December 31, 2024. The translation of these net assets from RMB into HKD at the exchange rate as of the reporting date resulted in a translation gain of HK\$1,446 million (2024: loss of HK\$682 million), recognized in other comprehensive income.

- *Charge of Assets*

None of Hang Lung Properties' assets were charged to third parties as of June 30, 2025.

- *Contingent Liabilities*

Hang Lung Properties had no material contingent liabilities as of June 30, 2025.

SUSTAINABILITY

80% of Hang Lung's Mainland Portfolio Is Fully Powered by Renewable Energy

Hang Lung's portfolio of renewable energy-powered properties has expanded in mainland China, increasing from 50% to 80% of our operating locations. The three additional properties—Forum 66 and Palace 66 in Shenyang, and Olympia 66 in Dalian—have fully transitioned to renewable energy sources as of May 1, 2025, and are the first commercial developments in Liaoning Province to achieve this significant milestone. The three properties have secured renewable energy from wind and solar sources through power purchase agreements aligned with mainland China's green energy policy framework. By the end of this year, Hang Lung Properties is expected to procure approximately 320 million kWh of renewable energy across eight properties—an achievement that far exceeds our sustainability target of 25% renewable energy for our mainland China portfolio by 2025.

Hang Lung's Groundbreaking Discussion Paper Drives Industry Dialogue on Net Zero Transition

Hang Lung Properties has published an innovative discussion paper, *Our Journey to Net Zero: Our Scenarios and Actions to Reduce Greenhouse Gas Emissions to 2050*, which investigates pathways and strategies for achieving our net zero targets. The paper shares findings from a decarbonization model we developed that incorporates over 1,000 internal and external data inputs. The analysis includes two main scenarios to reduce greenhouse gas (GHG) emissions between now and 2050. Starting from a baseline of around 1,000,000 tonnes of GHG in 2023, Hang Lung Properties' emissions could drop to fewer than 100,000 tonnes by 2050—and potentially even lower. The scale of new construction and the emissions intensity of available construction materials will play a critical role in shaping this reduction. The discussion paper also highlights our potential to achieve full net zero by 2050 through sustained effort, supplier collaboration, and leveraging technological advancements.

Changemakers Program Gains Traction as Hang Lung Partners With Tenants on Sustainability

Through Hang Lung's Changemakers: Tenant Partnerships on Sustainability Program (the "Changemakers Program"), we are intensifying our collaborative efforts with tenants to reduce energy use and waste, advance circularity, and improve community wellbeing. Our first recognition ceremony in April 2025 honored tenants for their sustainability initiatives over the

previous year. As of June 2025, 42 tenants have joined our Changemakers community, representing a diverse range of sectors, including office, retail, and hospitality, across 16 properties in Hong Kong and mainland China, totaling over 238,000 square meters of leased floor area or 12% of Hang Lung Properties' leasable floor area.

We have also recently enhanced the Changemakers Program by offering tenants access to a comprehensive energy and carbon management platform, which provides real-time energy consumption analytics across the leased spaces, delivering data-driven, actionable insights to support the tenants' sustainability goals and optimize their operational performance.

Hang Lung and Tsinghua University Mark 15 Years of Shared Impact on Sustainable Urban Futures

2025 marks the 15th anniversary of the Hang Lung Center for Real Estate at Tsinghua University ("the Center"), a collaboration committed to advancing academic research and fostering industry-academia cooperation in the real estate sector. To commemorate the anniversary, the Center hosted a Forum on Sustainable Development of Cities and Real Estate on April 2, 2025, bringing together industry leaders, academics, and policymakers to discuss the sector's future. Approximately 3,000 participants attended the hybrid event, including industry representatives, business partners, Tsinghua professors and students, and national media.

Since 2010, Hang Lung Properties has donated more than RMB33 million to support Tsinghua University's real estate programs and the Center's academic research and exchanges. This alliance has emerged as one of the leading Asia-based partnerships in the real estate sector, uniting business and academia and playing a crucial role in shaping the industry's development in mainland China.

Hang Lung's Property Portfolio Empowers Hong Kong's Young Entrepreneurs

In partnership with the Hong Kong Housing Authority, Hang Lung Properties supported the second phase of the Well Being · Start-Up 2.0 Programme by offering young entrepreneurs six months of rent-free retail space at Peak Galleria, Kornhill Plaza, and Amoy Plaza. This initiative aims to empower the next generation to unleash their creativity and nurture their entrepreneurial spirit in a real-world environment, reaffirming our commitment to community investment.

Moving into their designated retail spaces in July, selected startups will benefit from proximity to high-profile businesses and participation in Hang Lung Properties' signature mall-wide promotional campaigns while receiving tailored marketing support from the Company.

OUTLOOK

The recent trade disputes and escalating restrictions between the U.S. and China have created uncertainties in the global economy. The trade tariffs and inflation dynamics might stall the expected cuts of interest rate by the Federal Reserve, which could potentially have a detrimental impact on consumer spending and business expansion.

In mainland China, the lack of confidence shared among Chinese consumers persists into 2025. However, we see some signs of stabilization. Demand is anticipated to rise moderately in upcoming months from fiscal expansion and the government's dedicated supportive measures. Following the short-lived consumption rebound after the end of the pandemic, we have observed that Chinese consumers are rationalizing their spending and prioritizing quality-of-life upgrades. Retailers are adapting to the fast-changing market conditions in order to gain first-mover advantages. To remain competitive and navigate this evolving market landscape, we are also bolstering our asset management capabilities and dynamically refining our operating strategies. Two examples of these initiatives are the Pavilion Extension project and the VIC Lounge refurbishment, both of which are under way in Plaza 66. In the midst of supply pressure and rental corrections in the office leasing markets, especially in the first-tier cities like Shanghai, we are prioritizing tenant-centric needs to retain quality tenants. As to our upscale commercial complex, Westlake 66 in Hangzhou, we are standing on the brink of its phasal completion in the coming months. Pre-leasing activities in both retail and office leasing remain upbeat amid weak market sentiment. This project embodies our commitment to innovation and community enhancement and serves as a steppingstone toward our larger aspirations of growth and excellence.

In Hong Kong, with ongoing pressure from shifting consumption patterns and external economic factors, retail sector probably remains challenging in the second half of 2025. While inbound travel has not yet recovered to its pre-pandemic level, visitors are expressing a strong interest in immersive, Instagrammable travel experiences and the variety of mega events that the government is promoting. Our outlook for the long-term business climate remains positive, but it is unclear how long the economic slowdown will last. We will continue to focus on creating immersive shopping experiences, like interactive displays and pop-up events, as well as collaborating with local businesses and artisans to create unique offerings that resonate with both local residents and tourists, fostering a sense of community and authenticity. We will also seek opportunities to optimize our Hong Kong portfolio through capital recycling exercises.

With respect to property sales, Center Residences in Wuxi is going to launch its first batch of pre-sale, garnering positive feedback for its marketing activities. Our Hang Lung Residences series,

which includes Heartland Residences in Wuhan and Grand Hyatt Residences Kunming, caters to both local residents seeking premium living standards and affluent buyers from other cities looking for business convenience. Our premium management services and superior product quality distinguish us from our peers, allowing us to attract discerning buyers in respective cities. While in Hong Kong, we continue to market our remaining residential units in The Aperture and houses in Blue Pool Road. Recent analysts' reports suggest that the residential market is bottoming out and we are optimistic about achieving more sales when the economy recovers.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS **FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UNAUDITED)**

	Note			<i>For information purpose only</i>	
		2025 HK\$ Million	2024 HK\$ Million	2025 RMB Million	2024 RMB Million
Revenue	2(a)	4,968	6,114	4,598	5,606
Direct costs and operating expenses		(1,713)	(2,684)	(1,585)	(2,471)
		3,255	3,430	3,013	3,135
Other net income	3	45	23	41	21
Administrative expenses		(309)	(341)	(288)	(314)
Profit from operations before changes in fair value of properties		2,991	3,112	2,766	2,842
Decrease in fair value of properties		(201)	(634)	(184)	(584)
Profit from operations after changes in fair value of properties		2,790	2,478	2,582	2,258
Interest income		20	26	18	24
Finance costs		(497)	(455)	(462)	(419)
Net interest expense	4	(477)	(429)	(444)	(395)
Share of (loss)/profit of joint ventures		(3)	19	(3)	17
Profit before taxation	5	2,310	2,068	2,135	1,880
Taxation	6	(1,063)	(729)	(979)	(663)
Profit for the period	2(b)	1,247	1,339	1,156	1,217
Attributable to:					
Shareholders		912	1,061	849	964
Non-controlling interests		335	278	307	253
Profit for the period		1,247	1,339	1,156	1,217
Earnings per share	8(a)				
Basic		HK\$0.19	HK\$0.23	RMB0.18	RMB0.21
Diluted		HK\$0.19	HK\$0.23	RMB0.18	RMB0.21

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UNAUDITED)**

	2025 HK\$ Million	2024 HK\$ Million	<i>For information purpose only</i>	
			2025 RMB Million	2024 RMB Million
Profit for the period	1,247	1,339	1,156	1,217
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Movement in exchange reserve:				
Exchange difference arising from translation to presentation currency	1,656	(765)	(1,184)	824
(Loss)/gain on net investment hedge	(210)	83	-	76
Movement in hedging reserve:				
Effective portion of changes in fair value	(145)	114	(136)	106
Net amount transferred to profit or loss	(6)	(34)	(5)	(32)
Deferred tax	24	(12)	22	(11)
Item that will not be reclassified to profit or loss:				
Net change in fair value of equity investments	-	1	-	1
Other comprehensive income for the period, net of tax	1,319	(613)	(1,303)	964
Total comprehensive income for the period	2,566	726	(147)	2,181
Attributable to:				
Shareholders	2,076	520	(464)	1,934
Non-controlling interests	490	206	317	247
Total comprehensive income for the period	2,566	726	(147)	2,181

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2025

		(Unaudited) June 30, 2025	(Audited) December 31, 2024	<i>For information purpose only</i>	
	Note	HK\$ Million	HK\$ Million	June 30, 2025 RMB Million	December 31, 2024 RMB Million
Non-current assets					
Investment properties	9	167,093	166,519	152,492	155,224
Investment properties under development	9	26,137	24,001	23,836	22,226
Property, plant and equipment		2,952	2,833	2,692	2,625
Interests in joint ventures		1,085	1,104	991	1,040
Other assets		76	76	69	72
Deferred tax assets		157	140	143	132
		197,500	194,673	180,223	181,319
Current assets					
Cash and deposits with banks		6,905	10,303	6,304	9,676
Trade and other receivables	10	3,112	3,183	2,840	2,968
Properties for sale		13,852	13,489	12,645	12,603
		23,869	26,975	21,789	25,247
Current liabilities					
Bank loans and other borrowings		6,407	9,340	5,851	8,749
Trade and other payables	11	8,838	9,291	8,065	8,651
Lease liabilities		26	23	24	21
Current tax payable		341	294	311	273
		15,612	18,948	14,251	17,694
Net current assets		8,257	8,027	7,538	7,553
Total assets less current liabilities		205,757	202,700	187,761	188,872
Non-current liabilities					
Bank loans and other borrowings		48,360	48,036	44,163	45,077
Lease liabilities		258	240	235	222
Deferred tax liabilities		14,058	13,374	12,821	12,394
		62,676	61,650	57,219	57,693
NET ASSETS		143,081	141,050	130,542	131,179
Capital and reserves					
Share capital		43,398	42,051	40,643	39,410
Reserves		89,730	89,536	80,823	83,010
Shareholders' equity		133,128	131,587	121,466	122,420
Non-controlling interests		9,953	9,463	9,076	8,759
TOTAL EQUITY		143,081	141,050	130,542	131,179

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The interim results set out in the announcement do not constitute the interim report for the six months ended June 30, 2025 of Hang Lung Properties Limited (the “Company”) and its subsidiaries (collectively the “Group”) but are extracted from the report.

The unaudited interim financial report has been prepared in accordance with Hong Kong Accounting Standard (HKAS) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The HKICPA has issued certain amendments to HKFRS Accounting Standards (HKFRSs) that are first effective for the current accounting period of the Group. These developments have no material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in the announcement. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements.

The presentation currency of these consolidated financial statements is Hong Kong dollar. In view of the Group’s significant business operations in mainland China, management has included additional financial information prepared in Renminbi in the consolidated financial statements. Such supplementary information is prepared on the same basis as 2024 as if the presentation currency is Renminbi.

1. BASIS OF PREPARATION (Continued)

The financial information relating to the financial year ended December 31, 2024 included in this announcement of interim results as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended December 31, 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

2. REVENUE AND SEGMENT INFORMATION

The Group manages businesses according to the nature of services and products provided. Management has determined property leasing, property sales and hotels to be the reportable operating segments for the measurement of performance and the allocation of resources.

Segment assets principally comprise all non-current assets and current assets directly attributable to each segment with the exception of interests in joint ventures, other assets, deferred tax assets and cash and deposits with banks.

(a) Disaggregation of revenue

For the six months ended June 30, 2025

HK\$ Million	Revenue from contracts with customers			Leases	Total
	recognized at a point in time	recognized over time	Subtotal		
Rental income	-	-	-	4,110	4,110
Sales of completed properties	161	-	161	-	161
Hotel revenue	48	81	129	-	129
Building management fees and other income from property leasing	-	568	568	-	568
	209	649	858	4,110	4,968

For the six months ended June 30, 2024

HK\$ Million	Revenue from contracts with customers			Leases	Total
	recognized at a point in time	recognized over time	Subtotal		
Rental income	-	-	-	4,243	4,243
Sales of completed properties	1,228	-	1,228	-	1,228
Hotel revenue	28	42	70	-	70
Building management fees and other income from property leasing	-	573	573	-	573
	1,256	615	1,871	4,243	6,114

2. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Revenue and results by segments

HK\$ Million	2025				2024			
	Property Leasing	Property Sales	Hotels	Total	Property Leasing	Property Sales	Hotels	Total
Revenue								
- Mainland China	3,190	10	129	3,329	3,268	25	70	3,363
- Hong Kong	1,488	151	-	1,639	1,548	1,203	-	2,751
	4,678	161	129	4,968	4,816	1,228	70	6,114
Profit/(loss) from operations before changes in fair value of properties								
- Mainland China	1,988	(26)	(34)	1,928	2,026	(20)	(3)	2,003
- Hong Kong	1,067	(4)	-	1,063	1,100	9	-	1,109
	3,055	(30)	(34)	2,991	3,126	(11)	(3)	3,112
Decrease in fair value of properties	(201)	-	-	(201)	(634)	-	-	(634)
- Mainland China	(32)	-	-	(32)	(351)	-	-	(351)
- Hong Kong	(169)	-	-	(169)	(283)	-	-	(283)
Net interest expense	(477)	-	-	(477)	(429)	-	-	(429)
- Interest income	20	-	-	20	26	-	-	26
- Finance costs	(497)	-	-	(497)	(455)	-	-	(455)
Share of (loss)/profit of joint ventures	(3)	-	-	(3)	19	-	-	19
Profit/(loss) before taxation	2,374	(30)	(34)	2,310	2,082	(11)	(3)	2,068
Taxation	(1,063)	-	-	(1,063)	(718)	(11)	-	(729)
Profit/(loss) for the period	1,311	(30)	(34)	1,247	1,364	(22)	(3)	1,339
Net profit/(loss) attributable to shareholders	976	(30)	(34)	912	1,086	(22)	(3)	1,061

To conform to the information provided to the Group's most senior executive management, hotel operations were disclosed as a separate operating segment.

2. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Total segment assets

HK\$ Million	June 30, 2025				December 31, 2024			
	Property Leasing	Property Sales	Hotels	Total	Property Leasing	Property Sales	Hotels	Total
Mainland China	132,964	7,048	2,674	142,686	130,171	6,636	2,544	139,351
Hong Kong	62,621	7,839	-	70,460	62,774	7,900	-	70,674
	195,585	14,887	2,674	213,146	192,945	14,536	2,544	210,025
Interests in joint ventures				1,085				1,104
Other assets				76				76
Deferred tax assets				157				140
Cash and deposits with banks				6,905				10,303
				221,369				221,648

3. OTHER NET INCOME

HK\$ Million	2025	2024
Government grants	15	6
Gain on disposal of investment properties	27	-
Gain on disposal of property, plant and equipment	-	14
Net exchange loss	(2)	(2)
Others	5	5
	45	23

4. NET INTEREST EXPENSE

HK\$ Million	2025	2024
Interest income on bank deposits	20	26
Interest expense on bank loans and other borrowings	922	1,011
Interest on lease liabilities	6	7
Other borrowing costs	60	45
Total borrowing costs	988	1,063
Less: Borrowing costs capitalized	(491)	(608)
Finance costs	497	455
Net interest expense	(477)	(429)

5. PROFIT BEFORE TAXATION

HK\$ Million	2025	2024
Profit before taxation is arrived at after charging:		
Cost of properties sold	164	1,012
Staff costs (Note)	738	765
Depreciation	76	46

Note: The staff costs included employee share-based payments of HK\$31 million (2024: HK\$42 million). If the amounts not recognized in the statement of profit or loss, including amounts capitalized, were accounted for, staff costs would have been HK\$895 million (2024: HK\$928 million).

6. TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Provision for Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the period. Mainland China Income Tax represents mainland China Corporate Income Tax calculated at 25% (2024: 25%) and mainland China withholding income tax calculated at the applicable rates. The withholding tax rate applicable to Hong Kong companies in respect of dividend distributions from foreign investment enterprises in mainland China was 5% (2024: 5%).

HK\$ Million	2025	2024
Current tax		
Hong Kong Profits Tax	126	134
Mainland China Income Tax	441	456
Total current tax	567	590
Deferred tax		
Changes in fair value of properties	381	31
Other origination and reversal of temporary differences	115	108
Total deferred tax	496	139
Total income tax expense	1,063	729

7. DIVIDENDS

(a) Interim dividend

HK\$ Million	2025	2024
Declared after the end of the reporting period:		
HK12 cents (2024: HK12 cents) per share	600	566

The dividend declared after the end of the reporting period has not been recognized as a liability at the end of the reporting period.

The Board of Directors proposes that eligible shareholders be given the option to elect to receive the interim dividend in cash, or in the form of new shares in lieu of cash in respect of part or all of such dividend (the “Scrip Dividend Arrangement”). The Scrip Dividend Arrangement is conditional upon The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to the Scrip Dividend Arrangement.

(b) Final dividend approved and paid during the six months ended June 30, 2025

HK\$ Million	2025	2024
2024 final dividend of HK40 cents		
(2023: HK60 cents) per share	1,913	2,699

Included in 2024 final dividend paid during the period, HK\$1,347 million was settled through scrip dividend pursuant to the Scrip Dividend Arrangement announced by the Company on January 24, 2025.

8. EARNINGS PER SHARE

(a) The calculation of basic and diluted earnings per share is based on the following data:

HK\$ Million	2025	2024
Net profit attributable to shareholders	912	1,061
	Number of shares	
	2025	2024
Weighted average number of shares used in calculating basic earnings per share	4,801,775,210	4,519,178,404
Effect of dilutive potential ordinary shares — share options	205,550	-
Weighted average number of shares used in calculating diluted earnings per share	4,801,980,760	4,519,178,404

(b) The underlying net profit attributable to shareholders, which excluded changes in fair value of properties net of related income tax and non-controlling interests, is calculated as follows:

HK\$ Million	2025	2024
Net profit attributable to shareholders	912	1,061
Effect of changes in fair value of properties	201	634
Effect of income tax for changes in fair value of properties	381	31
Effect of changes in fair value of investment properties of joint ventures	20	1
	602	666
Non-controlling interests	73	8
	675	674
Underlying net profit attributable to shareholders	1,587	1,735

The earnings per share based on underlying net profit attributable to shareholders was:

	2025	2024
Basic	HK\$0.33	HK\$0.38
Diluted	HK\$0.33	HK\$0.38

9. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT

(a) Additions

During the six months ended June 30, 2025, additions to investment properties and investment properties under development amounted to HK\$1,038 million (2024: HK\$1,915 million).

(b) Valuation

The investment properties and investment properties under development of the Group were revalued as of June 30, 2025 by Savills Valuation and Professional Services Limited, on a market value basis.

10. TRADE AND OTHER RECEIVABLES

(a) Included in trade and other receivables are trade receivables (based on the due date) with the following aging analysis:

HK\$ Million	June 30, 2025	December 31, 2024
Not past due or less than 1 month past due	116	166
1 – 3 months past due	17	16
More than 3 months past due	3	2
	136	184

(b) The Group maintains a defined credit policy including stringent credit evaluation on and payment of a rental deposit from tenants. In addition to the payment of rental deposits, tenants are required to pay monthly rents in respect of leased properties in advance. Receivables are regularly reviewed and closely monitored to minimize any associated credit risk.

Provision for expected credit losses was assessed and adequately made on a tenant-by-tenant basis, based on the historical default experience and forward-looking information that may impact the tenants' ability to repay the outstanding balances.

11. TRADE AND OTHER PAYABLES

(a) Included in trade and other payables are trade creditors with the following aging analysis:

HK\$ Million	June 30, 2025	December 31, 2024
Due within 3 months	765	1,368
Due after 3 months	2,653	2,647
	3,418	4,015

(b) Included in trade and other payables is an amount of HK\$601 million (December 31, 2024: HK\$601 million) due to a fellow subsidiary, which is the joint developer of a project in which the Group and the fellow subsidiary hold respective interests of 66.67% and 33.33%. The amount represents the contribution by the fellow subsidiary in proportion to its interest to finance the project, and is unsecured, non-interest bearing and has no fixed terms of repayment.

OTHER INFORMATION

Employees

As of June 30, 2025, the number of employees was 3,862 (comprising 906 Hong Kong employees and 2,956 mainland China employees). The total employee costs for the six months ended June 30, 2025, amounted to HK\$895 million. We provide competitive remuneration packages for all employees including discretionary bonuses payable based on individual performance. We regularly review remuneration packages to ensure that they comply with relevant regulatory requirements and market conditions. The Company also has a share option scheme and provides professional and high-quality training for employees.

Purchase, Sale or Redemption of Listed Securities

During the six months ended June 30, 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

Compliance with Corporate Governance Code

During the six months ended June 30, 2025, the Company did not only comply with, but also, in certain areas exceeded the requirements of, the code provisions set out in the Corporate Governance Code as stated in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Review of Interim Results

The interim results for the six months ended June 30, 2025 have been reviewed by the Company's Audit Committee and auditor, KPMG.

Book Close Date**For ascertaining shareholders' entitlement to interim dividend**

Book close date	August 15, 2025
Latest time to lodge transfers	4:30 p.m. on August 14, 2025
Record date	August 15, 2025
Interim dividend payment date	September 24, 2025

For the purpose of ascertaining shareholders' entitlement to interim dividend, the register of members of the Company will be closed on Friday, August 15, 2025, on which no share transfers will be effected. In order to qualify for interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, August 14, 2025.

On Behalf of the Board

Adriel Chan

Chair

Hong Kong, July 30, 2025

As of the date of this announcement, the Board of the Company comprises:

Executive Directors: Mr. Adriel CHAN, Mr. Weber W.P. LO and Mr. Kenneth K.K. CHIU

Independent Non-Executive Directors: Mr. Nelson W.L. YUEN, Mr. Philip N.L. CHEN,

Dr. Andrew K.C. CHAN, Ms. Anita Y.M. FUNG and Ms. Holly T.F. LI

GLOSSARY

Financial Terms

Finance costs: Total of interest expense on total borrowings and other borrowing costs, net of amount capitalized

Total borrowings: Total of bank loans and other borrowings, net of unamortized other borrowing costs

Net debt: Total borrowings net of cash and deposits with banks

Net profit attributable to shareholders: Profit for the period (after tax) less amounts attributable to non-controlling interests

Underlying net profit attributable to shareholders: Net profit attributable to shareholders excluding changes in fair value of properties net of related income tax and non-controlling interests

Financial Ratios

$$\text{Basic earnings per share} = \frac{\text{Net profit attributable to shareholders}}{\text{Weighted average number of shares in issue during the period}}$$

$$\text{Debt to equity} = \frac{\text{Total borrowings}}{\text{Total equity}}$$

$$\text{Net assets attributable to shareholders per share} = \frac{\text{Shareholders' equity}}{\text{Number of shares issued at the end of the reporting period}}$$

$$\text{Net debt to equity} = \frac{\text{Net debt}}{\text{Total equity}}$$

$$\text{Interest cover} = \frac{\text{Profit from operations before changes in fair value of properties}}{\text{Finance costs before capitalization less interest income}}$$