恒隆集團
HANG LUNG GROUP

恒隆集團有限公司

HANG LUNG GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00010)

2025 INTERIM RESULTS

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恒隆集團 HANG LUNG GROUP

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	**4,912**	**161**	**129**	**5,202**	5,081	1,228	70	6,379
- Mainland China	**3,363**	**10**	**129**	**3,502**	3,467	25	70	3,562
- Hong Kong	**1,549**	**151**	**-**	**1,700**	1,614	1,203	-	2,817
Operating profit/(loss)	**3,499**	**(57)**	**(34)**	**3,408**	3,627	(11)	(3)	3,613
- Mainland China	**2,284**	**(26)**	**(34)**	**2,224**	2,358	(20)	(3)	2,335
- Hong Kong	**1,215**	**(31)**	**-**	**1,184**	1,269	9	-	1,278
Underlying net profit/(loss) attributable to shareholders	**1,231**	**(19)**	**(21)**	**1,191**	1,296	(13)	(2)	1,281
Net decrease in fair value of properties attributable to shareholders	**(494)**	**-**	**-**	**(494)**	(393)	-	-	(393)
Net profit/(loss) attributable to shareholders	**737**	**(19)**	**(21)**	**697**	903	(13)	(2)	888

	At June 30, 2025	At December 31, 2024
Shareholders' equity	**97,649**	95,776
Net assets attributable to shareholders per share (HK$)	**$71.7**	$70.3

Earnings and Dividends (HK$)

	2025	2024
Earnings per share		
- Based on underlying net profit attributable to shareholders	**$0.87**	$0.94
- Based on net profit attributable to shareholders	**$0.51**	$0.65
Interim dividend per share	**$0.21**	$0.21

Financial Ratios

	At June 30, 2025	At December 31, 2024
Net debt to equity ratio	**31.5%**	30.8%
Debt to equity ratio	**36.4%**	37.9%

REVIEW OF OPERATIONS

RESULTS HIGHLIGHTS

A challenging operating environment for the real estate sectors was present in both Hong Kong and mainland China during the first half of 2025. Overall market conditions were influenced by continuously soft economic sentiment in mainland China, coupled with evolving consumption pattern among Hong Kong residents. Despite these external pressures, Hang Lung Group Limited (the "Company") and its subsidiaries (collectively known as "the Group") sustained strong fundamentals in occupancy and operational execution. Despite Renminbi (RMB) being depreciated against the same period last year, core property leasing revenue remained resilient. Occupancy levels also stayed high across both Hong Kong and mainland China due in part to continuous tenant mix optimization.

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

In Hong Kong, a stable occupancy rate in both retail and office portfolios was achieved due to proactive tenant retention initiatives. Benefiting from the government's talent admission regime, occupancy and revenue of residential and serviced apartments segment rose by nine points and 11% against the same period last year, respectively.

The Group recorded total revenue of HK$5,202 million (2024: HK$6,379 million) in the first half of 2025. Overall operating profit was HK$3,408 million (2024: HK$3,613 million). Revenue and operating profit from property leasing were HK$4,912 million (2024: HK$5,081 million) and HK$3,499 million (2024: HK$3,627 million), respectively. Property sales revenue recorded HK$161 million (2024: HK$1,228 million). Hotel revenue reported HK$129 million (2024: HK$70 million).

In order to support long-term development, the Group has continued to make investments 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. In celebration of Hang Lung's 65th anniversary, a variety of nationwide events and marketing campaigns have driven significant foot traffic and enhanced customers engagement. These initiatives are expected to improve sales and strengthen brand loyalty in the future.

CONSOLIDATED RESULTS

For the six months ended June 30, 2025, the total revenue of the Group dropped by 18% to HK$5,202 million compared to the same period last year, mainly due to the decline in property sales revenue by 87% to HK$161 million. Overall operating profit decreased by 6% to HK$3,408 million. Revenue and operating profit from property leasing decreased by 3% to HK$4,912 million and 4% to HK$3,499 million, respectively, as a result of consumption slowdown and 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 dropped by 7% to HK$1,191 million, mainly due to lower operating leasing profits and higher finance costs. Underlying earnings per share fell correspondingly to HK$0.87.

When including a net revaluation loss on properties attributable to shareholders of HK$494 million (2024: HK$393 million), the Group reported a net profit attributable to shareholders of HK$697 million (2024: HK$888 million). The corresponding earnings per share was HK$0.51 (2024: HK$0.65).

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	**4,912**	5,081	-3%	**3,499**	3,627	-4%
Mainland China	**3,363**	3,467	-3%	**2,284**	2,358	-3%
Hong Kong	**1,549**	1,614	-4%	**1,215**	1,269	-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	**5,202**	6,379	-18%	**3,408**	3,613	-6%

DIVIDEND

The board of directors (the "Board") of the Company has declared an interim dividend of HK21 cents per share for 2025 (2024: HK21 cents) to be paid in cash on September 24, 2025, to shareholders whose names are listed on the register of members of the Company on August 15, 2025.

PROPERTY LEASING

Overall rental revenue retreated by 3% to HK$4,912 million for the six months ended June 30, 2025. The Group remains focused on long-term value creation and strategic growth against the backdrop of a complex market environment.

The high-end retail market in mainland China contends with challenges like shifting consumer behaviors, economic uncertainty and competitive pressures from both domestic and international markets. The possibility of a slowdown in economic growth has also increased as a result of the United States' (U.S.) tactics on trade tariffs. Despite this backdrop, our mall portfolio demonstrated resilience following successful implementation of effective marketing effort and operational strategies. Due to cautious business sentiment and ongoing high supply volumes, the office market is still in a protracted recovery phase. As a result, Mainland portfolio rental revenue declined by 2% in RMB terms and 3% in HKD terms after considering the RMB depreciation against the same period last year.

In an effort to stimulate consumption and inbound tourism, the Chinese Central Government has intensified its stimulus policies including refining its instant tax refund policy. We are strategically aligning our business operations to take advantage of these supportive measures. In response to the government's initiatives and to commemorate our Hang Lung's 65th anniversary, a variety 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.

Despite a decrease in tenant sales by 4% in RMB terms period-on-period, the overall rental revenue from our mall portfolio remained stable as a result of our leasing team's strategic efforts. Following continued strategic refinement of the tenant mix, overall occupancy level remained high and edged up one point to 94%. Due to oversupply in Shanghai Grade A office markets and competitors' aggressive strategies for maintaining occupancy, our office portfolio reported a 4%

drop in revenue against the same period last year. That said, we have successfully upheld our high standards for property management service and made a concerted effort to keep our high-quality tenants in spite of these market difficulties.

The retail market in Hong Kong experienced a prolonged decline in the first half of 2025 as the evolving consumption behaviors of Chinese visitors and local residents continued to limit retail sales performance. Although the number of Mainland and overseas travelers has steadily increased, owing in part to the mega event economy, visitor spending has remained subdued. As a result, our Hong Kong portfolio saw a 4% decline in rental revenue, but improvement in the residential and serviced apartments segment helped offset the lower contribution from retail leasing.

On the positive side, the food and beverage industry stabilized as a result of increased tourist foot traffic, which mitigated the impact of reduced spendings. Overall rental revenue of retail portfolio and tenant sales retreated by 7% and 2%, respectively. By strategically optimizing the tenant mix and implementing targeted marketing initiatives through our "hello Hang Lung Malls Rewards Program", we were able to sustain high occupancy. Overall, the office market remained challenging, with high vacancies and declining rents due to a lack of demand for prime office space and an abundance of available premises. Our office segment recorded a 2% decrease in revenue during the period. However, the overall occupancy level remained stable at 88% at the end of the period, compared to 90% a year earlier, thanks to our proactive tenant retention strategies.

Mainland China[1]

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

	Revenue (RMB Million)		
	2025	2024	Change
Malls	**2,412**	2,414	-
Offices	**638**	668	-4%
Residential & Serviced Apartments	**50**	68	-26%
Total	**3,100**	3,150	-2%
Total in HK$ Million equivalent	***3,363***	*3,467*	*-3%*

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

In RMB terms, overall rental revenue and operating profit both retreated by 2%. The decrease inflated to 3% in HKD terms, owing to the depreciation of the RMB during the period. Our malls sustained overall high occupancy rate and generated stable revenue, notwithstanding increasing outbound travel and softening consumer sentiment in mainland China. Our premium office portfolio fell by 4%, primarily due to the reduced demand for office spaces within a highly competitive market.

- *Malls*

In the first half of 2025, the overall revenue of our mall portfolio remained stable. To boost sales and foot traffic amidst cautious consumer spending in the high-end market, we strategically launched targeted marketing initiatives designed to cater to the preferences of distinct customer segments. Most of our malls experienced period-on-period revenue growth except for Riverside 66 in Tianjin, Heartland 66 in Wuhan and Forum 66 in Shenyang due to lower sales rents driven by peers' aggressive price and promotion strategies. Nevertheless, overall occupancy stayed at a high level by the end of the period.

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

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

Name of Mall and City	**Revenue** (RMB Million)			**Period-end Occupancy Rate**		
	2025	2024	Change	**June 2025**	December 2024	June 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	-			

At the end of the period, our flagship **Plaza 66** mall in Shanghai recorded a high occupancy rate of 98% while revenue stayed flat. Due to more restrained high-end spending among our customers, tenant sales declined by 8%. 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 a variety of events curated by over 100 international brands. These activities gained significant traction on social media and boosted foot traffic, ultimately consolidating Plaza 66's leading position as Shanghai's top lifestyle landmark.

Grand Gateway 66, our other mall in Shanghai, recorded a growth in revenue and tenant sales of 1% and 10%, respectively. During the period, to enhance foot traffic and tenant sales, several first-to-market stores and various marketing campaigns were introduced, including an event collaboration with the globally popular IP "ButterBear" which generated widespread attention on social media and reinforced the mall's brand equity within youngsters and families. The occupancy rate stood high at 99% at the end of the period.

Despite a 4% decline in tenant sales, revenue of the **Center 66** mall in Wuxi increased by 8%. In celebration of Hang Lung's 65th anniversary, our marketing events "Wiggle We Go" attracted significant media coverage and foot traffic, especially among youngsters. At the end of the period, occupancy stayed high at 96%

Spring City 66 mall in Kunming reported revenue growth of 7% while tenant sales slightly decreased by 1%. The occupancy rate rose one point to 99% at the end of the period. To provide exclusive high-end shopping experiences to HOUSE 66 members, our privileged VIC lounge, The Lounge, opened in November 2024. We expect the mall to further strengthen its position as a premier retail and lifestyle destination in Southwestern China, with the opening of Grand Hyatt Kunming in August 2024, as well as the newly opened bridge linking our mall to the hotel in March 2025.

Revenue and tenant sales of our signature development **Olympia 66** in Dalian rose 10% and 13%, respectively. The occupancy rate stayed high at 94% at the end of the period. Ongoing enhancements in brand and trade-mix upgrades across categories and floors drove the mall's robust growth. To celebrate our 65th anniversary with five other malls, Olympia 66 launched the "Wiggle We Go" campaign, which generated positive customer feedback and boosted foot traffic.

Parc 66 in Jinan achieved growth in both revenue and tenant sales by 1%. At the end of the period, the occupancy rate rose two points to 94%. In January 2025, the remaining phase of the Asset Enhancement Initiative (AEI) was completed, with a wider range of brands and exclusive stores introduced to improve customer flow. These enhancements have boosted the mall's attractiveness to visitors and are expected to contribute to long-term profitability.

Palace 66 in Shenyang reported an increase in revenue and tenant sales by 4% and 10%, respectively. The mall attracted a boarder customer base and boosted foot traffic by renovating the food court and diversifying food and beverage concepts. During the Golden Week of May, our effective marketing initiatives further improved customer spending and foot traffic. By the end of the period, the occupancy rate rose four points to 96%.

Revenue of **Riverside 66** in Tianjin decreased by 2%, but tenant sales grew by 2%. The occupancy rate stayed at 94%. Various marketing programs, such as Valentine's Day and the "Wiggle We Go" campaigns were successfully launched. Furthermore, we have been proactively improving the mall's tenant mix and enhancing our HOUSE 66 CRM program to increase foot traffic and customer loyalty.

Revenue and tenant sales of the **Heartland 66** mall in Wuhan dropped by 36% and 31%, respectively, as a result of the intense promotion competition in the city. We continue to fortify our market position and cultivate consumer loyalty through trade mix enhancement, our HOUSE 66 CRM program, and prestige services provided in The Lounge, our VIC lounge. In order to stand out in the highly competitive market, we also used proactive marketing. At the end of the period, the occupancy rate grew five points to 88%.

The **Forum 66** mall in Shenyang recorded a drop in revenue and tenant sales by 37% and 58%, respectively. Occupancy rate stayed at 86% at the end of the period. In 2025, the mall was undergoing a strategic transition by expanding food and beverage options and enriching its selection of lifestyle and trendy fashion and sports brands.

- *Offices*

In the face of economic uncertainties, the office leasing market remained sluggish. Due to lower occupancy rates and negative rental reversions, overall revenue decreased by 4% to RMB638 million against the same period last year. Our Grade A office towers at Plaza 66 in Shanghai accounted for 77% of the overall revenue drop as the city's Grade A office market is being actively reshaped by tenant relocations and changing demand patterns driven by cost-driven improvements. We successfully upheld our high standards for property management services and made a concerted effort to keep our high-quality tenants in spite of these market pressures.

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

Name of Office and City	Revenue (RMB Million)			Period-end Occupancy Rate		
				June	December	June
	2025	2024	Change	**2025**	2024	2024
Plaza 66, Shanghai	**289**	312	-7%	**82%**	87%	88%
Grand Gateway 66, Shanghai	**110**	112	-2%	**87%**	91%	87%
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	**638**	668	-4%			

As a result of the fall in unit rent as local market conditions remained soft amid continued challenges, revenue from our two Grade A office towers at **Plaza 66** in Shanghai dropped by 7%. By the end of the period, the occupancy rate declined by six points to 82%. During the reporting period, Shanghai faced ongoing challenges from both oversupply of office and downward pressure on market rents.

Despite occupancy rate remaining at 87%, revenue of the office tower at **Grand Gateway 66** in Shanghai fell by 2% due to negative rental reversions. The weak market sentiment and escalating vacancies rate have put pressure on office unit rents.

Revenue of the office tower at **Spring City 66** in Kunming decreased by 4%, occupancy rate fell by three points to 84% at the end of the period. Leveraging our prime location together with our first-rate amenities and services, we maintained our market leadership position.

Office tower at **Forum 66** in Shenyang reported a decrease in revenue by 2%, affected by subdued demand and oversupply of new office premises in the district. At the end of the period, the occupancy rate fell by one point to 89%.

The two office towers at **Center 66** in Wuxi recorded stable revenue and drop in occupancy rate by six points to 83% during the reporting period. We managed to maintain a steady growth in unit rent during the period, by providing premium offerings and exclusive services, together with flexibility and diversity by our self-operated multifunctional workspace, HANGOUT.

Revenue of the office tower at **Heartland 66** in Wuhan declined by 2% and occupancy rate decreased by five points to 63% during the reporting period. Our self-operated multifunctional workspace, HANGOUT, will continue to offer flexible office layouts to cater to different types of tenants, adapting to the shifting needs of businesses and encouraging collaboration among tenants, despite of the challenging market conditions.

- *Residential & Serviced Apartments*

Revenue primarily from the residential towers and serviced apartments at Grand Gateway 66 in Shanghai dropped by 28% during the period. If excluding revenue contribution from the serviced apartment building which ceased business operations at the end of February 2025 for hotel redevelopment, the revenue from residential towers fell by 16%, which was ascribed to a decline in the occupancy rate by 13 points. The number of expatriate executives has not returned to pre-pandemic levels. We are expanding the target customer base to include Chinese employees under cross-provincial employment.

Hong Kong

In the first half of 2025, domestic consumption was still impacted by cautious spending patterns of Hong Kong residents and evolving travel habits of Mainland visitors. The office market remained challenging as weak economic sentiment and conservative business plans for expansion persistently constrained leasing demand.

Revenue and operating profit retreated by 4% to HK$1,549 million and by 4% to HK$1,215 million, respectively, with a rental margin of 78%.

Occupancy was well-managed and stayed at a high level due to the ongoing optimization of the tenant mix, which has been tailored to the preferences and behaviors of both locals and tourists.

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

	Revenue (HK$ Million)			Period-end Occupancy Rate		
	2025	2024	Change	**June 2025**	December 2024	June 2024
Retail	**884**	950	-7%	**93%**	94%	97%
Offices and Industrial/Office	**553**	563	-2%	**88%**	89%	90%
Residential & Serviced Apartments	**112**	101	11%	**82%**	88%	73%
Total	**1,549**	1,614	-4%			

- *Retail*

Revenue from our Hong Kong retail portfolio dropped by 7% to HK$884 million. We further refined our leasing strategy and optimized our tenant mix to address weak consumer demand. The overall occupancy stayed high at 93% at the end of the period.

Tenant sales slightly decreased by 2%, due to weakened market sentiment. We will continue implementing targeted promotional campaigns under the “hello Hang Lung Malls Rewards Program” to boost consumption.

Due to negative rental reversions and lease restructurings that were concluded for some anchor tenants, the revenue from retail properties in **Central Business and Tourist District Portfolio** declined by 9%. Against the same period last year, occupancy stayed high at 95%.

Overall revenue of **Community Mall Portfolio** decreased by 5% against the same period last year, under a market environment where local residents are showing more prudent spending behavior. At the end of the period, the occupancy rate dropped to 94%.

- *Offices and Industrial/Office*

Due to negative rental reversions and pressure from declining rental prices caused by oversupply, revenue declined by 2% to HK$553 million. To maintain a relatively high occupancy level of 88% at the end of the period, proactive initiatives such as offering fitted office or subdividing premises were implemented to cater to tenant needs.

At the end of the period, our **Hong Kong Island Portfolio** revenue remained stable with an increase in occupancy of one point to 83% period on period, despite encountering negative rental reversion amid an oversupplied office market. In the first half of the year, our dynamic and flexible office space, NET•WORK, was launched, strategically located inside Central’s iconic Standard Chartered Bank Building. The market responded positively to the soft launch, resulting in a 64% occupancy rate at the end of the period.

Semi-retail operators remained cost-conscious and rental corrections continued. Revenue of our **Kowloon Portfolio** fell by 4% and occupancy dropped by two points to 92%.

- *Residential & Serviced Apartments*

Our residential and serviced apartments segment recorded a 11% increase in revenue against the same period of last year, thanks to the talent admission regime introduced by the Hong Kong government, an expanded customer base and the offering of flexible terms in serviced apartments.

PROPERTY SALES AND DISPOSAL OF INVESTMENT PROPERTIES

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 during the reporting period.

An operating loss from property sales of HK$57 million was recorded in the first half of 2025, after taking into account the gross loss from the sale of properties in mainland China and Hong Kong and corresponding selling expenses, marketing expenses, and other operating expenditures.

As of June 30, 2025, the contracted property sales yet to be recognized amounted to HK$47 million, including pre-sale of two units at The Aperture and two units at Grand Hyatt Residences Kunming. The revenue is expected to 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. A gain on disposal of HK$27 million was recognized under Other Net Income following the sale completion in 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%		
Total in HK$ Million equivalent	***129***	*70*	*84%*		

\# opened in August 2024

Conrad Shenyang maintained its leading position in the rooms market despite a 3% drop in revenue against the same period last year. Due to a weaker market across the city and a decline in consumer spending, the hotel encountered challenges in both room revenue and food and beverage revenue.

Grand Hyatt Kunming, a five-star hotel offering 331 guestrooms and five distinct dining venues within the Spring City 66 mixed-use development, opened in August 2024. The hotel generated a revenue of RMB57 million during the reporting period. Room revenue is steadily increasing month by month and has attained market leadership despite food and beverage revenue being affected by weak consumer sentiment.

PROPERTY REVALUATION

As of June 30, 2025, the total value of our investment properties and those under development amounted to HK$200,858 million, including the Mainland portfolio of HK$136,689 million and the Hong Kong portfolio of HK$64,169 million. These properties were appraised by Savills, an independent valuer, as of June 30, 2025.

A revaluation loss of HK$269 million was recorded (2024: loss of HK$715 million).

The Mainland portfolio recorded a revaluation loss of HK$93 million (2024: loss of HK$433 million), representing less than 1% of the portfolio value as of December 31, 2024.

The Hong Kong portfolio recorded a revaluation loss of HK$176 million (2024: loss of HK$282 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$494 million was reported (2024: net revaluation loss of HK$393 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$12,555 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.

Kimpton Xujiahui Shanghai, a luxury boutique brand under InterContinental Hotels Group, has been introduced as part of Grand Gateway 66's ongoing revitalization project. Featuring 148 rooms, the hotel is scheduled to open in 2027, with construction work currently in progress.

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 a variety of financing channels to ensure that financial resources are always available to meet operational needs and corporate expansions. There are enough standby banking facilities in place to protect the Group against unforeseen market dislocations.

All financial risk managements, including debt refinancing, foreign exchange exposure, and interest rate volatility, are centrally managed and controlled at the corporate level. We only employ interest rate and foreign currency swaps where necessary for hedging and risk management. In order to optimize the cost of funds while allowing for an appropriate level of financial flexibility and liquidity, funding needs are closely evaluated and diligently managed. Various sources of debt financing are in place to mitigate concentration risks and diversify the funding channels.

For debt portfolio management, we focus on mitigating foreign exchange, interest rate, and refinancing risks through a combination 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	**3,993**	*53%*	8,415	*78%*
RMB	**3,482**	*47%*	2,400	*22%*
USD	**1**	-	2	-
Total cash and bank balances	**7,476**	*100%*	10,817	*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$55,972 million (December 31, 2024: HK$57,794 million), of which 42% 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 42% of total borrowings as of June 30, 2025. After excluding the onshore floating-rate debts, the percentage of fixed-rate borrowings would be 59% of total offshore borrowings as of June 30, 2025 (December 31, 2024: 55%).

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	**32,581**	*58%*	37,123	*64%*
RMB	**23,391**	*42%*	20,671	*36%*
Total borrowings	**55,972**	*100%*	57,794	*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**	*42%*	23,725	*41%*
Floating	**32,573**	*58%*	34,069	*59%*
Total borrowings	**55,972**	*100%*	57,794	*100%*

- *Gearing Ratios*

At the balance sheet date, the net debt balance amounted to HK$48,496 million (December 31, 2024: HK$46,977 million). The net debt to equity ratio was 31.5% (December 31, 2024: 30.8%), and the debt to equity ratio was 36.4% (December 31, 2024: 37.9%). The increase in net debt to equity ratio was largely due to increased capital expenditures in both mainland China and Hong Kong.

Excluding the balances of Hang Lung Properties Limited and its subsidiaries (collectively known as "Hang Lung Properties"), the Company and its other subsidiaries had a net debt balance of HK$634 million (December 31, 2024: net cash balance of HK$96 million).

- *Maturity Profile and Refinancing*

At the balance sheet date, the average tenure of our debt portfolio was 3.1 years (December 31, 2024: 2.9 years). The maturity profile staggered over more than 11 years. Around 72% 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.

	At June 30, 2025		At December 31, 2024	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Repayable:				
Within 1 year	**6,407**	*11%*	9,340	*16%*
After 1 but within 2 years	**9,563**	*17%*	10,859	*19%*
After 2 but within 5 years	**36,208**	*65%*	33,713	*58%*
Over 5 years	**3,794**	*7%*	3,882	*7%*
Total borrowings	**55,972**	*100%*	57,794	*100%*

As of June 30, 2025, total undrawn committed banking facilities amounted to HK$23,128 million (December 31, 2024: HK$13,955 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).

Excluding the balances of Hang Lung Properties, the undrawn committed banking facilities of the Company and its other subsidiaries amounted to HK$1,375 million (December 31, 2024: HK$1,420 million).

- *Net Finance Costs and Interest Cover*

For the first half of 2025, gross finance costs decreased by 6% to HK$1,002 million. The lower average effective cost of borrowing of 3.9% (2024: 4.4%) (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$511 million. A number of projects in Hong Kong and Mainland 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 3.2 times (2024: 3.2 times).

- *Foreign Exchange Management*

RMB fluctuations are our principal exchange rate risk. Our exposure is primarily determined by the currency translation risk from our subsidiaries' net assets in mainland China.

We refrain from speculating on the movement of the RMB against the HKD. Considering the cash inflows from local operations and RMB-denominated borrowings, we maintain an appropriate level of RMB-denominated resources to meet our capital needs in mainland China. We regularly conduct business reviews to assess the funding required for our mainland China projects, guided by regulatory restrictions, project development schedules, and the market environment. Our funding plan is modified to accommodate any changes in circumstances.

As of June 30, 2025, net assets denominated in RMB accounted for approximately 68% of our total net assets. RMB appreciated against the HKD by 1.5% 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$1,529 million (2024: loss of HK$725 million), recognized in other comprehensive income.

- *Charge of Assets*

None of the Group's assets were charged to third parties as of June 30, 2025.

- *Contingent Liabilities*

The Group 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, the Group 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

The Group 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, the Group's 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 17 properties in Hong Kong and mainland China, totaling over 238,000 square meters of leased floor area or 12% of the Group's 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, the Group 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, the Group 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 the Group's signature mall-wide promotional campaigns while receiving tailored marketing support from the Company.

OUTLOOK

The global economy is unclear as a result of the recent trade tensions and tightening restrictions between the U.S. and China. The Federal Reserve's anticipated interest rate cut may be halted by trade tariffs and inflationary pressures, which could potentially dampen consumer spending and business expansion.

In mainland China, consumers' confidence remains subdued as we move 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. After the short-lived consumption upswing after the end of the pandemic, we have noticed that Chinese consumers are rationalizing their spending and giving quality-of-life upgrades priority. To obtain an advantage over their competitors, retailers are adapting to the evolving new market conditions. We are also strengthening our asset management capabilities and dynamically refining our operating strategies in order to remain competitive and navigate this changing market environment. Two instances of these initiatives are the Pavilion Extension project and the VIC Lounge refurbishment, both of which are ongoing in Plaza 66. In the face of supply pressure and rental corrections in the office leasing markets, particularly in first-tier cities like Shanghai, we are putting tenant-centric demands first in order to retain quality tenants. We are also nearing the phasal completion of our high-end commercial complex, Westlake 66 in Hangzhou, in the upcoming months. Pre-leasing activities in both retail and office leasing remain upbeat amid weak market sentiment. This endeavor is a step toward our broader goals of growth and excellence and reflects our dedication to innovation and community development.

The retail sector in Hong Kong is likely to remain challenging in the second half of 2025 due to continuous pressure from evolving consumption patterns and external economic factors. That said, while inbound travel has not yet returned to its pre-pandemic level, visitors are showing a strong interest in immersive, Instagrammable travel experiences and the range of mega events that the government is marketing. Although the duration of the economic downturn remains uncertain, we continue to have a positive outlook for the long-term business climate. We will keep concentrating on creating immersive shopping experiences, such as interactive displays and pop-up events, as well as collaborating with local businesses and artisans to create distinctive offerings that appeal to 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, targets 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 differentiate us from our peers, allowing us to attract discerning buyers in respective cities. Meanwhile, in Hong Kong, we continue to actively market our remaining residential units in The Aperture and houses in Blue Pool Road. Recent analyst 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)

				For information purpose only	
	Note	**2025 HK$ Million**	2024 HK$ Million	**2025 RMB Million**	2024 RMB Million
Revenue	2(a)	**5,202**	6,379	**4,813**	5,846
Direct costs and operating expenses		**(1,794)**	(2,766)	**(1,660)**	(2,544)
		3,408	3,613	**3,153**	3,302
Other net income	3	**41**	19	**38**	17
Administrative expenses		**(320)**	(346)	**(299)**	(319)
Profit from operations before changes in fair value of properties		**3,129**	3,286	**2,892**	3,000
Decrease in fair value of properties		**(269)**	(715)	**(247)**	(657)
Profit from operations after changes in fair value of properties		**2,860**	2,571	**2,645**	2,343
Interest income		**24**	40	**22**	36
Finance costs		**(511)**	(461)	**(475)**	(424)
Net interest expense	4	**(487)**	(421)	**(453)**	(388)
Share of profits of joint ventures		**23**	132	**22**	122
Profit before taxation	5	**2,396**	2,282	**2,214**	2,077
Taxation	6	**(1,088)**	(756)	**(1,001)**	(688)
Profit for the period	2(b)	**1,308**	1,526	**1,213**	1,389
Attributable to:					
Shareholders		**697**	888	**648**	807
Non-controlling interests		**611**	638	**565**	582
Profit for the period		**1,308**	1,526	**1,213**	1,389
Earnings per share	8(a)				
Basic		**HK$0.51**	HK$0.65	**RMB0.48**	RMB0.59
Diluted		**HK$0.51**	HK$0.65	**RMB0.48**	RMB0.59

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

			For information purpose only	
	2025 HK$ Million	2024 HK$ Million	**2025 RMB Million**	2024 RMB Million
Profit for the period	**1,308**	1,526	**1,213**	1,389
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	**1,739**	(808)	**(1,365)**	992
(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	**1,402**	(656)	**(1,484)**	1,132
Total comprehensive income for the period	**2,710**	870	**(271)**	2,521
Attributable to:				
Shareholders	**1,535**	502	**(361)**	1,509
Non-controlling interests	**1,175**	368	**90**	1,012
Total comprehensive income for the period	**2,710**	870	**(271)**	2,521

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2025

		(Unaudited)	(Audited)	*For information purpose only*	
		June 30,	December 31,	**June 30,**	December 31,
		2025	2024	**2025**	2024
	Note	**HK$ Million**	HK$ Million	**RMB Million**	RMB Million
Non-current assets					
Investment properties	9	**174,721**	174,558	**159,452**	162,698
Investment properties under development	9	**26,137**	24,001	**23,836**	22,226
Property, plant and equipment		**3,423**	2,838	**3,122**	2,630
Interests in joint ventures		**4,366**	4,456	**3,989**	4,199
Other assets		**1,434**	1,434	**1,310**	1,351
Deferred tax assets		**159**	143	**145**	135
		210,240	207,430	**191,854**	193,239
Current assets					
Cash and deposits with banks		**7,476**	10,817	**6,824**	10,153
Trade and other receivables	10	**3,140**	3,211	**2,866**	2,994
Properties for sale		**13,873**	13,510	**12,664**	12,623
		24,489	27,538	**22,354**	25,770
Current liabilities					
Bank loans and other borrowings		**6,407**	9,340	**5,851**	8,749
Trade and other payables	11	**8,715**	9,189	**7,952**	8,550
Lease liabilities		**26**	23	**24**	21
Current tax payable		**363**	314	**331**	292
		15,511	18,866	**14,158**	17,612
Net current assets		**8,978**	8,672	**8,196**	8,158
Total assets less current liabilities		**219,218**	216,102	**200,050**	201,397
Non-current liabilities					
Bank loans and other borrowings		**49,565**	48,454	**45,264**	45,471
Lease liabilities		**258**	240	**235**	222
Deferred tax liabilities		**15,417**	14,720	**14,060**	13,642
		65,240	63,414	**59,559**	59,335
NET ASSETS		**153,978**	152,688	**140,491**	142,062
Capital and reserves					
Share capital		**4,065**	4,065	**3,164**	3,164
Reserves		**93,584**	91,711	**85,936**	85,987
Shareholders' equity		**97,649**	95,776	**89,100**	89,151
Non-controlling interests		**56,329**	56,912	**51,391**	52,911
TOTAL EQUITY		**153,978**	152,688	**140,491**	142,062

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 Group 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	**-**	**-**	**-**	**4,302**	**4,302**
Sales of completed properties	**161**	**-**	**161**	**-**	**161**
Hotel revenue	**48**	**81**	**129**	**-**	**129**
Building management fees and other income from property leasing	**-**	**610**	**610**	**-**	**610**
	209	**691**	**900**	**4,302**	**5,202**

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	-	-	-	4,464	4,464
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	-	617	617	-	617
	1,256	659	1,915	4,464	6,379

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	**3,363**	**10**	**129**	**3,502**	3,467	25	70	3,562
- Hong Kong	**1,549**	**151**	**-**	**1,700**	1,614	1,203	-	2,817
	4,912	**161**	**129**	**5,202**	5,081	1,228	70	6,379
Profit/(loss) from operations before changes in fair value of properties								
- Mainland China	**2,088**	**(26)**	**(34)**	**2,028**	2,153	(20)	(3)	2,130
- Hong Kong	**1,105**	**(4)**	**-**	**1,101**	1,147	9	-	1,156
	3,193	**(30)**	**(34)**	**3,129**	3,300	(11)	(3)	3,286
Decrease in fair value of properties	**(269)**	**-**	**-**	**(269)**	(715)	-	-	(715)
- Mainland China	**(93)**	**-**	**-**	**(93)**	(433)	-	-	(433)
- Hong Kong	**(176)**	**-**	**-**	**(176)**	(282)	-	-	(282)
Net interest expense	**(487)**	**-**	**-**	**(487)**	(421)	-	-	(421)
- Interest income	**24**	**-**	**-**	**24**	40	-	-	40
- Finance costs	**(511)**	**-**	**-**	**(511)**	(461)	-	-	(461)
Share of profits of joint ventures	**23**	**-**	**-**	**23**	132	-	-	132
Profit/(loss) before taxation	**2,460**	**(30)**	**(34)**	**2,396**	2,296	(11)	(3)	2,282
Taxation	**(1,088)**	**-**	**-**	**(1,088)**	(745)	(11)	-	(756)
Profit/(loss) for the period	**1,372**	**(30)**	**(34)**	**1,308**	1,551	(22)	(3)	1,526
Net profit/(loss) attributable to shareholders	**737**	**(19)**	**(21)**	**697**	903	(13)	(2)	888

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	**138,823**	**7,052**	**3,139**	**149,014**	136,440	6,640	2,544	145,624
Hong Kong	**64,424**	**7,856**	**-**	**72,280**	64,577	7,917	-	72,494
	203,247	**14,908**	**3,139**	**221,294**	201,017	14,557	2,544	218,118
Interests in joint ventures				**4,366**				4,456
Other assets				**1,434**				1,434
Deferred tax assets				**159**				143
Cash and deposits with banks				**7,476**				10,817
				234,729				234,968

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	**1**	1
	41	19

4. NET INTEREST EXPENSE

HK$ Million	**2025**	2024
Interest income on bank deposits	**24**	40
Interest expense on bank loans and other borrowings	**932**	1,012
Interest on lease liabilities	**6**	7
Other borrowing costs	**64**	50
Total borrowing costs	**1,002**	1,069
Less: Borrowing costs capitalized	**(491)**	(608)
Finance costs	**511**	461
Net interest expense	**(487)**	(421)

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)	**757**	783
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$902 million (2024: HK$936 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	**130**	139
Mainland China Income Tax	**468**	486
Total current tax	**598**	625
Deferred tax		
Changes in fair value of properties	**366**	12
Other origination and reversal of temporary differences	**124**	119
Total deferred tax	**490**	131
Total income tax expense	**1,088**	756

7. DIVIDENDS

(a) Interim dividend

HK$ Million	**2025**	2024
Declared after the end of the reporting period:		
HK21 cents (2024: HK21 cents) per share	**286**	286

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

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

HK$ Million	**2025**	2024
2024 final dividend of HK65 cents		
(2023: HK65 cents) per share	**885**	885

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	**697**	888

	Number of shares	
	2025	2024
Weighted average number of shares used in calculating basic and diluted earnings per share (Note)	**1,361,618,242**	1,361,618,242

Note: Diluted earnings per share was the same as the basic earnings per share for the periods as there were no dilutive potential ordinary shares in existence during both periods.

8. EARNINGS PER SHARE (Continued)

(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	**697**	888
Effect of changes in fair value of properties	**269**	715
Effect of income tax for changes in fair value of properties	**366**	12
Effect of changes in fair value of investment properties of joint ventures	**44**	(71)
	679	656
Non-controlling interests	**(185)**	(263)
	494	393
Underlying net profit attributable to shareholders	**1,191**	1,281

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

	2025	2024
Basic	**HK$0.87**	HK$0.94
Diluted	**HK$0.87**	HK$0.94

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$1,045 million (2024: HK$1,925 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	**118**	166
1 – 3 months past due	**17**	16
More than 3 months past due	**3**	2
	138	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

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	**786**	1,404
Due after 3 months	**2,669**	2,660
	3,455	4,064

OTHER INFORMATION

Employees

As of June 30, 2025, the number of employees was 3,934 (comprising 906 Hong Kong employees and 3,028 mainland China employees). The total employee costs for the six months ended June 30, 2025, amounted to HK$902 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 Group 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
Non-Executive Directors: Mr. Gerald L. CHAN, Mr. George K.K. CHANG and Mr. Roy Y.C. CHEN
Independent Non-Executive Directors: Mr. Simon S.O. IP, Prof. P.W. LIU, Prof. L.C. TSUI, Mr. Martin C.K. LIAO and Ms. May S.B. TAN

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

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

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

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

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

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