



Heartland 66,
Wuhan



2022 Interim Results Presentation

July 2022

只選好的 只做對的
We Do It Well



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FY2022 Interim Results Highlights

Hang Lung Properties (101.HK)

Total Revenue

HK\$5,302M

+7% YoY

Rental	HK\$4,986M	Flat YoY
Sales	HK\$316M	n/a

Underlying Profit

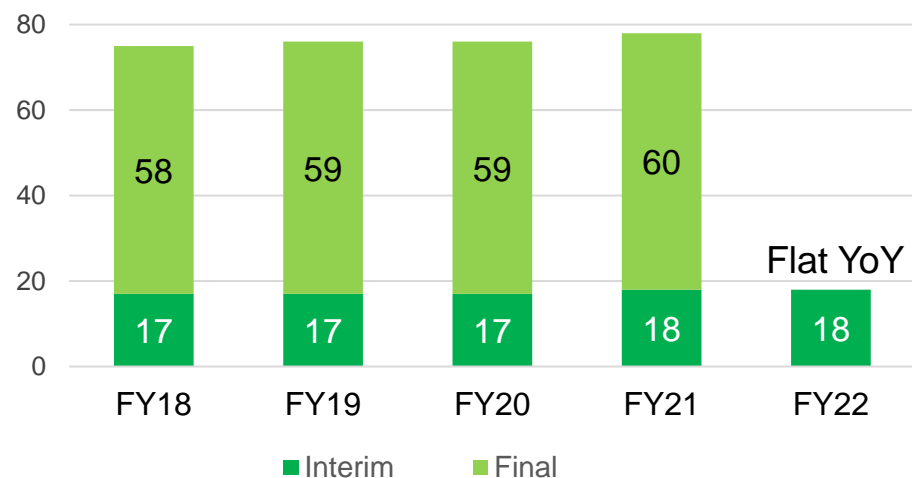
HK\$2,217M

+1% YoY

Rental	HK\$2,109M	-5% YoY
Sales	HK\$108M	n/a

HLP – Dividend per share

HK cents



Hang Lung Group (10.HK)

Total Revenue

HK\$5,605M

+6% YoY

Rental	HK\$5,289M	Flat YoY
Sales	HK\$316M	n/a

Underlying Profit

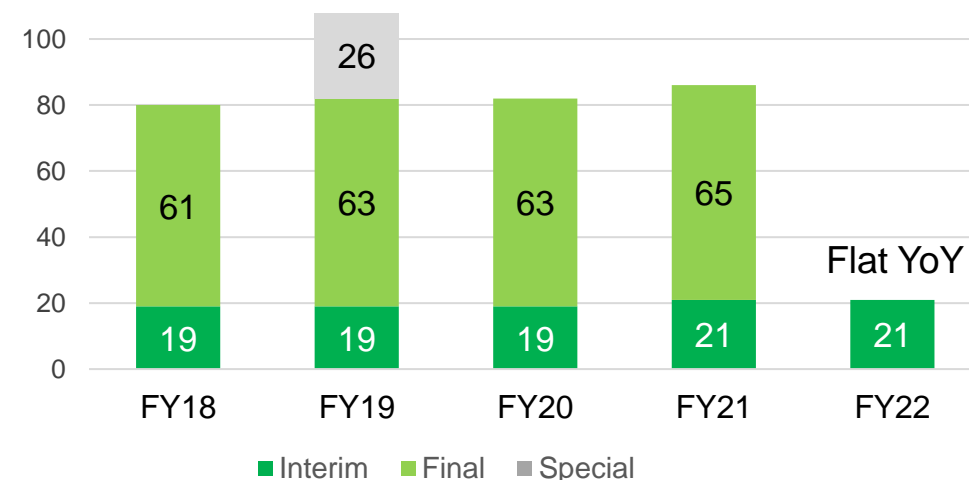
HK\$1,600M

+7% YoY

Rental	HK\$1,537M	+2% YoY
Sales	HK\$63M	n/a

HLG – Dividend per share

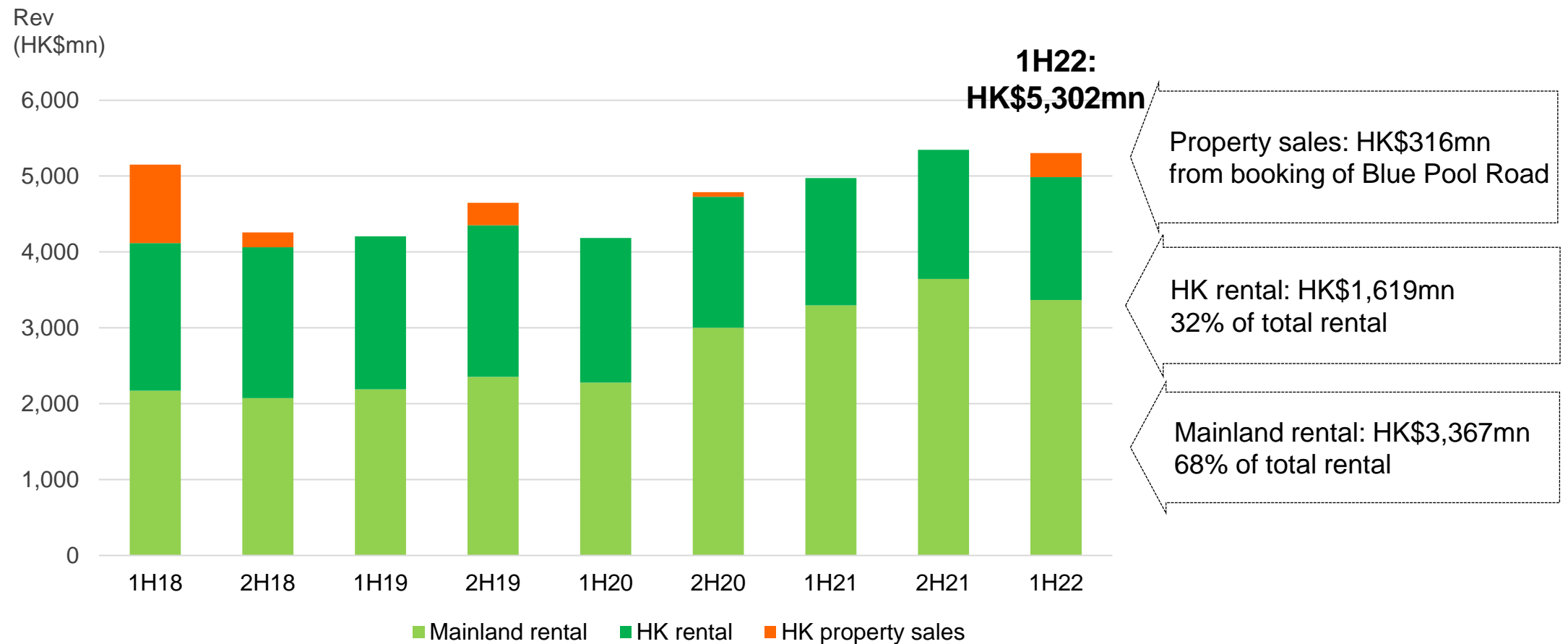
HK cents



Revenue Contribution by Segments

Majority from rental business; recognition of property sales revenue

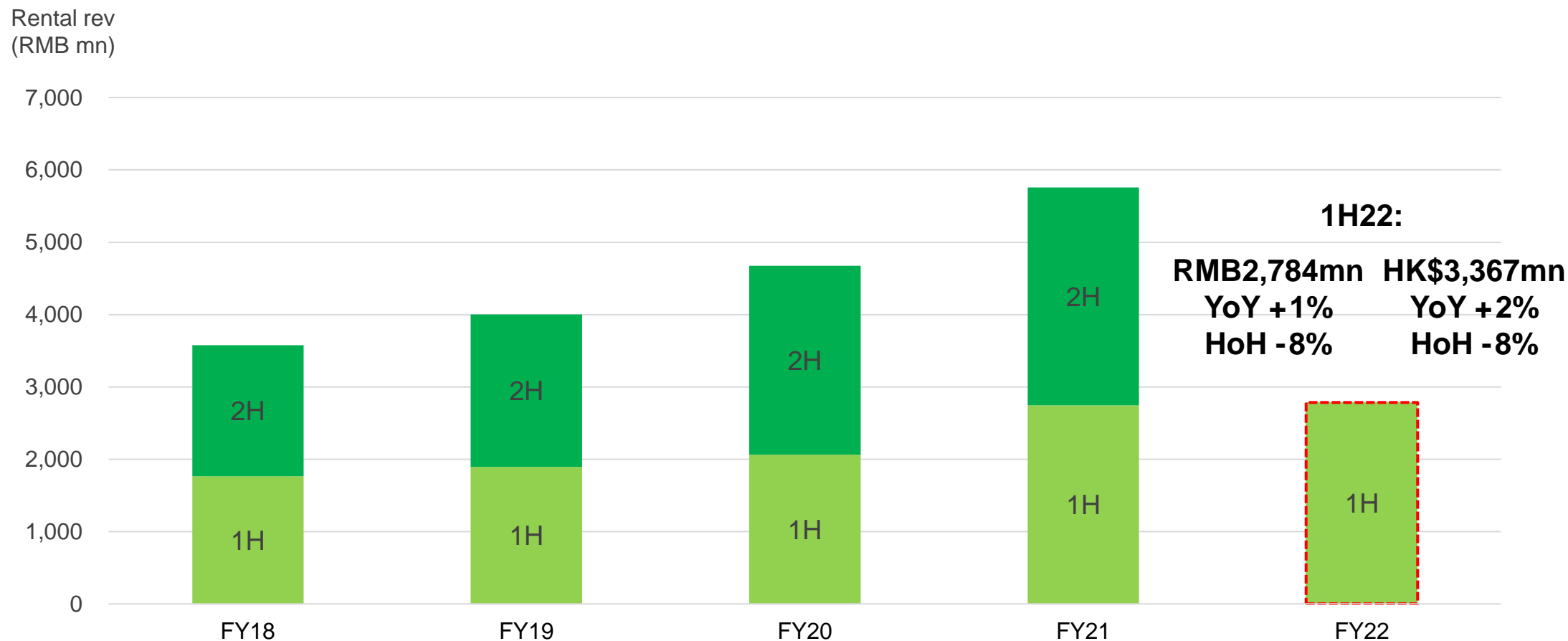
HLP Bi-annual revenue contribution by segments (HK\$m)



Mainland China Rental Revenue

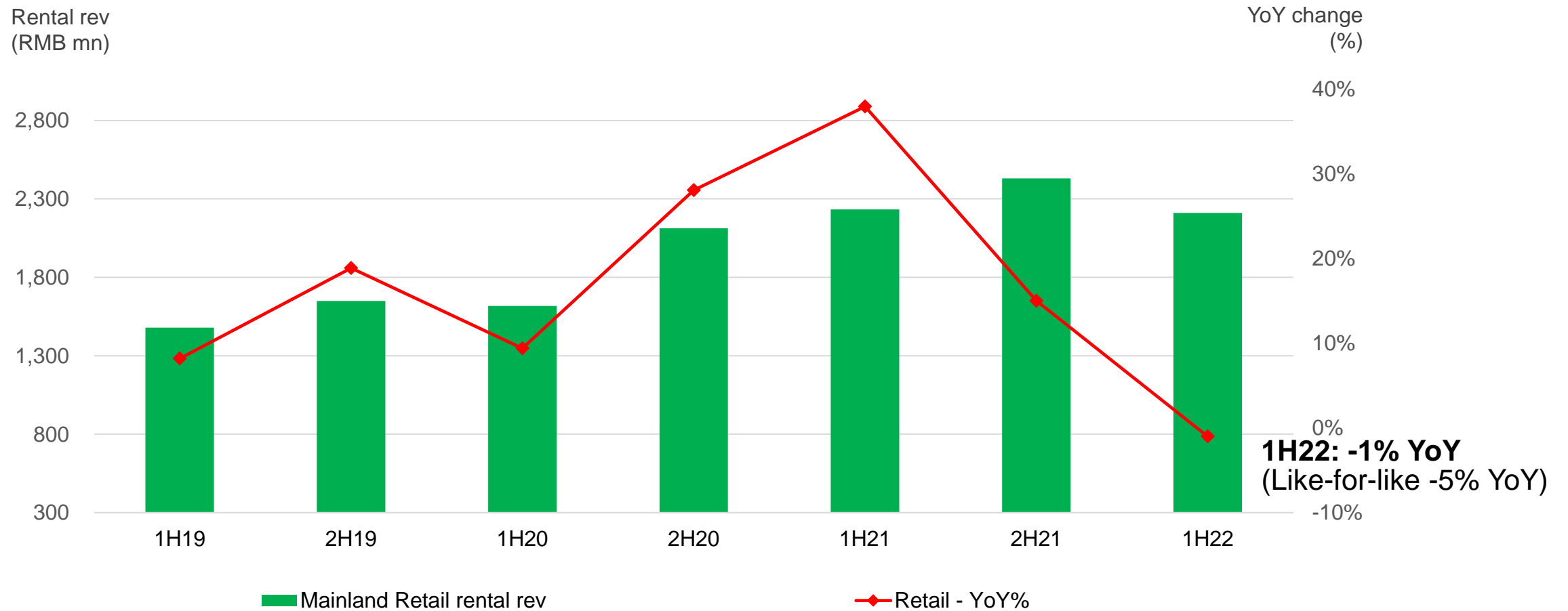
Resilient revenue despite serious disruption from COVID resurgence

HLP Mainland China rental revenue (RMB mn)



Mainland China Retail Rental Revenue

HLP Mainland China rental revenue from retail (RMB mn)

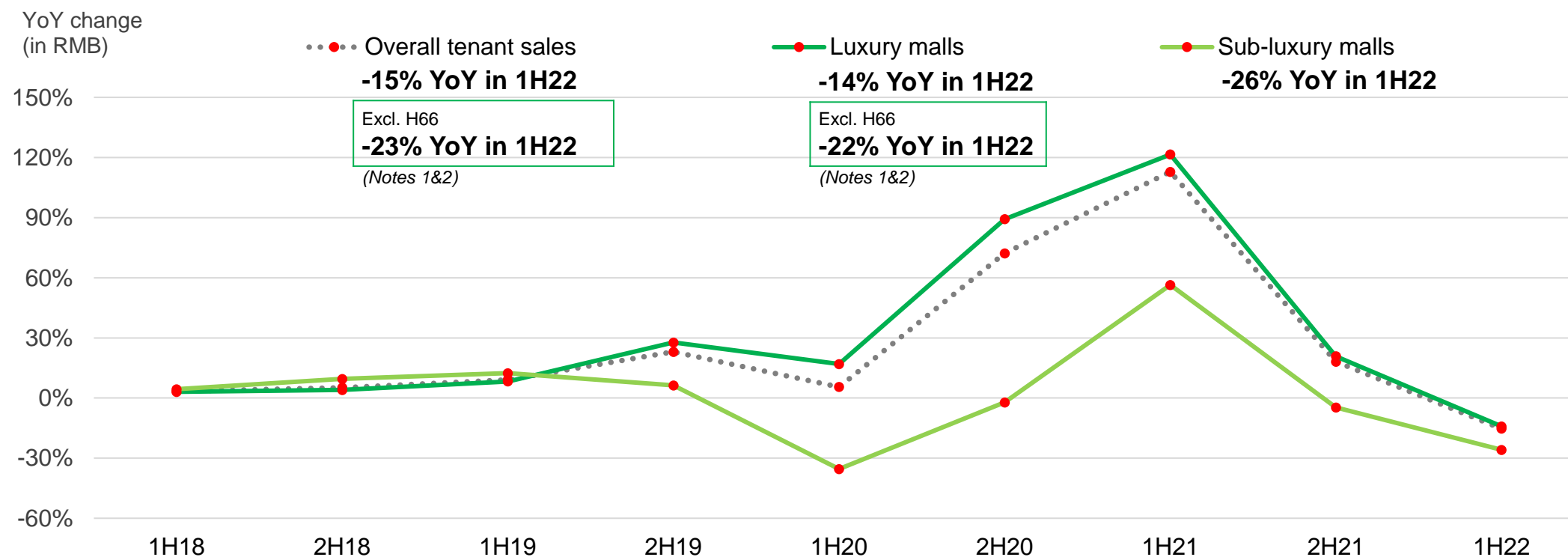


Note: Like-for-like comparison is derived by excluding H66 (opened in Mar 2021)

Mainland China Tenant Sales

Affected by COVID resurgence in Shanghai and Shenyang, partially offset by strength at Olympia 66 and newly opened Heartland 66

Mainland China Tenant Sales YoY Change (%)



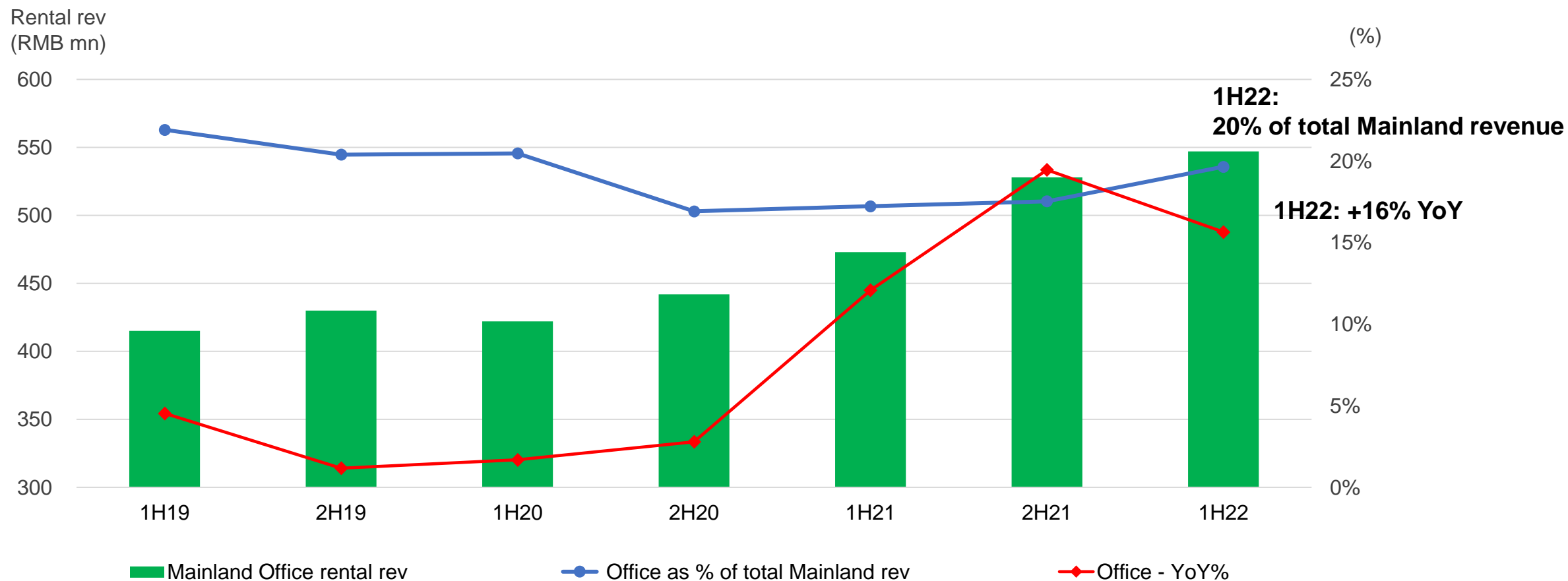
Note 1: Like-for-like comparisons are derived by excluding H66 (opened in Mar 2021) from both 1H22 and 1H21 numbers

Note 2: For 1H20 vs 1H19, if we exclude SC66 (opened in Aug 2019) and the retrospective reclassification of O66 (from sub-luxury to luxury since 1H21), overall / luxury / sub-luxury tenant sales would have been -0.5% / +12% / -34% YoY respectively.

Mainland China Office Rental Revenue

16% YoY with expansion of portfolio and organic occupancy rates

HLP Mainland China rental revenue from office (RMB mn)



Hong Kong Rental Revenue

Stabilization has continued, despite COVID resurgence

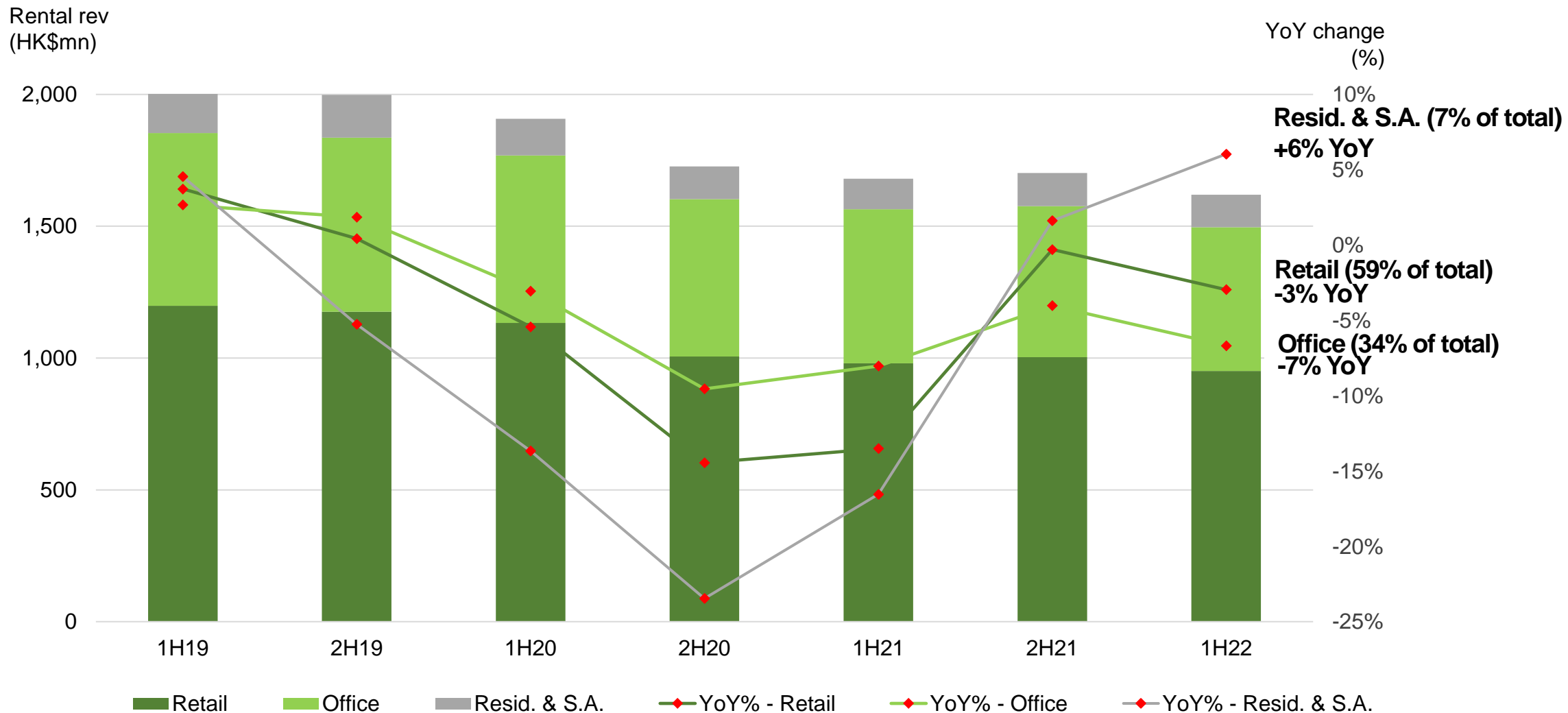
HLP HK rental revenue (HK\$mn)



Hong Kong Rental Revenue

Stabilization is noted in all 3 segments

HLP HK rental revenue (HK\$m) and YoY change (%)



ESG Highlights



Sustainability
Report 2021

- In July 2022, we launched a group-level Health & Safety Policy and updated Sustainability Policy & Sustainable Procurement Policy
- Arranged sustainable finance amounting to HK\$20.5 billion as of 30 June 2022, which accounted for 33% of total debts & available facilities
- Published **Sustainability Report 2021** on 17 May 2022, including disclosures of **28 Strategic ESG KPIs** to be achieved in 2022, and climate-related disclosures in line with the **TCFD's recommendations**
- In February 2022, we made our second donation valued **HK\$10 million** under the “**Hang Lung COVID-19 Relief Fund 2.0**” to provide targeted support for urgent public pandemic countermeasures and for the disadvantaged groups who have been most severely affected by the pandemic in Hong Kong. In April 2022, we announced a further injection of **RMB3 million** into the Relief Fund in support of pandemic countermeasures on the Mainland
- One of Asia's first real estate companies to commit to the **Science-Based Targets initiative's (SBTi's) Net Zero Standard**. In December 2021, we committed to reducing our greenhouse gas emissions in alignment with **SBTi's 1.5°C trajectory** and to achieving net-zero carbon emissions by 2050
- Spring City 66 in Kunming has been **fully powered by renewable energy since December 2021**, making it the first development of the Company to achieve net zero carbon emissions in terms of annual electricity consumption for both landlords' and tenants' operations
- In **December 2021**, we announced our **25 x 25 Sustainability Targets**. They elaborate on our 2030 goals and targets announced in December 2020 and provide quantifiable measures to achieve across the business over the next four years

Key Milestones and Ratings on Sustainability in 1H2022

Key Milestones since 1H2022



Published **Sustainability Report 2021**, including disclosures of **2022 ESG KPIs & 25x25 Sustainability Targets** and climate-related disclosures in line with **TCFD's recommendations**



Pledged commitments to both **SBTi's Net Zero Standard & ULI Greenprint Net Zero Carbon Operations by 2050 Goal**



Arranged sustainable finance amounting to **HK\$20.5 billion** as of 30 June 2022, which accounted for **33%** of total debts & available facilities



Made the second round of donation under "**Hang Lung COVID-19 Relief Fund 2.0**" in full support of pandemic countermeasures in Hong Kong & mainland China

July 2022

Became a participant of the **UN Global Compact**

Updated **Sustainability Policy & Sustainable Procurement Policy**; Launched group-level **Health & Safety Policy**

Key Ratings as of June 2022



ESG risk rating: **Low risk**



4-star performance rating
A grade disclosure rating since 2018

MSCI
ESG RATINGS



CCC B BB BBB **A** AA AAA

Upgraded to "**A**" rating in 2021



FTSE4Good
ESG Rating: **3.4**
Percentile ranking: **77**
Included in 2021

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Achieved **88th** percentile in 2021



Hang Seng Corporate Sustainability Index
Series Member 2021-2022

Upgraded to '**AA**' rating in 2021-2022

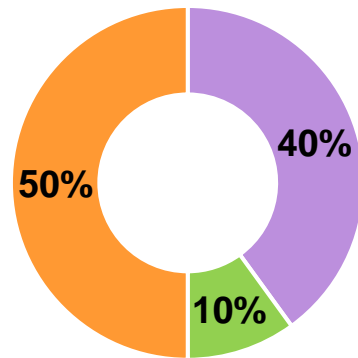
Board Engagement and Diversity

Highly engaged (as of 31 December 2021)

- 6 regular Board meetings/year (100% attendance)
- 4 Audit Committee meetings/year (100% attendance)
- 4 meetings of Audit Committee members with external auditor without the presence of management

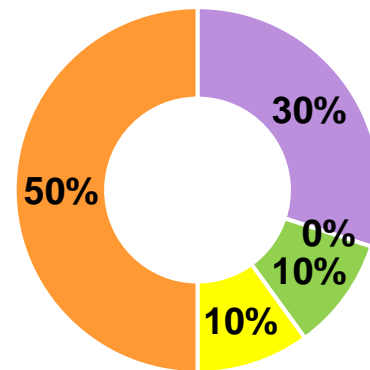
Board diversity of Hang Lung Properties (as of 30 June 2022)

Designation



- Executive Board Members
- NED
- INEDs

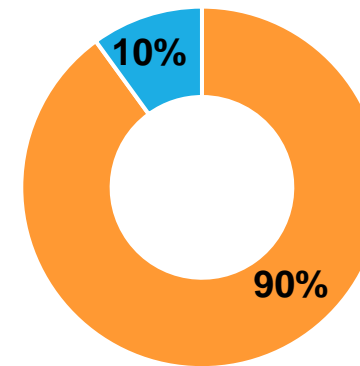
Age group



(Age range)

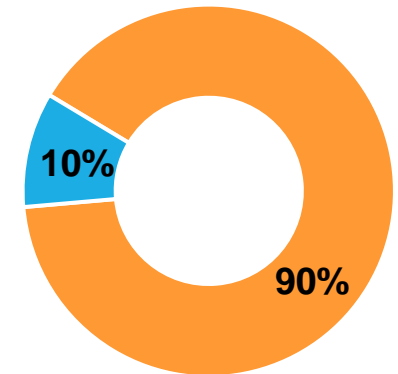
- Under 56
- 56-60
- 61-65
- 66-70
- 71 or above

Gender



- Male
- Female

Other Public Company Directorship



(No. of companies)

- 0-1
- 2-3



Climate Resilience: The Journey of Decarbonization

- We became **one of Asia's first real estate companies** to commit to the **Science-Based Targets initiative's (SBTi's) Net Zero Standard**. We pledge to reduce our greenhouse gas emissions in line with **SBTi's 1.5°C trajectory** and to achieve net-zero carbon emissions by 2050
- We have set ambitions **decarbonization targets** for **2025 & 2030**, with the goal of reaching net-zero emissions by 2050
- We aim to achieve our short and long-term goals by involving **our employees** – via in June 2022 **Launch of Sustainability Charter**
- We **share our commitments and experience on Net Zero to the community**

BUSINESS AMBITION FOR 1.5°C



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Hang Lung Sustainability Charter

I pledge to uphold our core values and consider sustainability in the way I work, because we are working towards a shared goal for the good of our company, our communities and the world.

I understand that Hang Lung aims to become one of the most sustainable real estate companies in the world, and that our sustainable growth depends not only on our business performance but also on our ability to achieve our 25 x 25 Sustainability Targets and our 2030 Sustainability Goals and Targets.

As a member of the Hang Lung family, I recognize that sustainability is a shared responsibility. We all need to take ownership and play our part.



BEC EnviroSeries Conference

Driving Business Ambition into Action for a **Net-zero Hong Kong**

BEC AUDITORIUM and ONLINE
17 JUNE 2022
HONG KONG



A Clear Agenda for the Short, Medium and Long Term

ANNUAL ESG KPIs

- Set Strategic ESG KPIs across the Group **tied to departmental and employee performance reviews**

2025 SUSTAINABILITY TARGETS

- Define **concrete and quantifiable measures** for all employees for the next four years

2030 SUSTAINABILITY GOALS AND TARGETS

- **Goals:** Provide **broad principles** governing our efforts
- **Targets:** Provide more specific **intended outcomes** for each goal

2050 NET-ZERO COMMITMENT

- Reach **net-zero value chain greenhouse gas emissions** by no later than 2050

2030 Sustainability Goals and Targets

In **December 2020**, we announced our overarching ambition to become one of the most sustainable real estate companies in the world by 2030, supported by **four goals** and **ten targets** to achieve by 2030

4 Priority	4 Goals	10 Targets
Climate Resilience	Reduce carbon footprint in line with climate science	<ul style="list-style-type: none"> Demonstrate best efforts to achieve 70% reduction of scopes 1 and 2 greenhouse gas emissions intensity (per m²), compared to 2018 baseline Build a nearly net-zero carbon building
Resource Management	Promote circular economy by reducing resource consumption and maximizing recycling	<ul style="list-style-type: none"> Incorporate circular building principles in new properties Implement water management program in all properties Divert 90% of operational waste from landfill
Wellbeing	Ensure employees, customers and communities enjoy an unrivalled environment that promotes their health and wellbeing	<ul style="list-style-type: none"> Assess wellbeing for all employees and key customers Meet or exceed wellbeing standards for new properties Work with youth on sustainability solutions in all cities where we have assets
Sustainable Transactions	Collaborate with all suppliers and customers to advance our sustainability priorities	<ul style="list-style-type: none"> Implement supplier evaluation and ranking system Engage all tenants on emissions reduction, resource management, and wellbeing enhancement

25 x 25 Sustainability Targets

In **December 2021**, we announced our **25 x 25 Sustainability Targets**. These elaborate on the 2030 goals and targets and provide quantifiable measures to achieve across the business over the next four years

Priority	No. of Targets	Topics addressed
Climate Resilience	7	<ul style="list-style-type: none"> Greenhouse gas (GHG) (scopes 1 and 2) emissions reduction for building operations GHG (scope 3) emissions reduction: embodied carbon of property development projects and electricity consumption of tenants Technical analysis of climate adaptation measures
Resource Management	4	<ul style="list-style-type: none"> Water efficiency of building operations Diversion of operational waste and construction waste from landfill Use of recycled, reused and bio-based construction materials
Wellbeing	9	<ul style="list-style-type: none"> Employee engagement Diversity and inclusion Wellbeing-related building certifications Occupational health and safety of employees and contractors ESG training for our employees Wellbeing community initiatives
Sustainable Transactions	5	<ul style="list-style-type: none"> Assessment of suppliers on their ESG performance Sustainability impacts of marketing events Green lease Sustainable financing ESG due diligence in asset acquisitions

28 Strategic ESG KPIs for 2022

Priority	No. of Strategic ESG KPIs	Examples of topics addressed
Climate Resilience	8	<ul style="list-style-type: none"> • Scopes 1, 2 and 3 GHG emissions reductions • Renewable energy • Electric vehicle parking • Adaptation to physical risks from climate change
Resource Management	6	<ul style="list-style-type: none"> • Reduce construction waste • Increase recycled, reused and bio-based materials • Improve water use efficiency • Reduce waste to landfill
Wellbeing	9	<ul style="list-style-type: none"> • Employee engagement • Diversity and inclusion practices, policies and training • Safety practices for construction and operations • Work with youth on community initiatives
Sustainable Transactions	5	<ul style="list-style-type: none"> • Digital platform for assessing suppliers on ESG • Sustainability provisions in leases • Increase sustainable finance • ESG due diligence on potential asset acquisitions

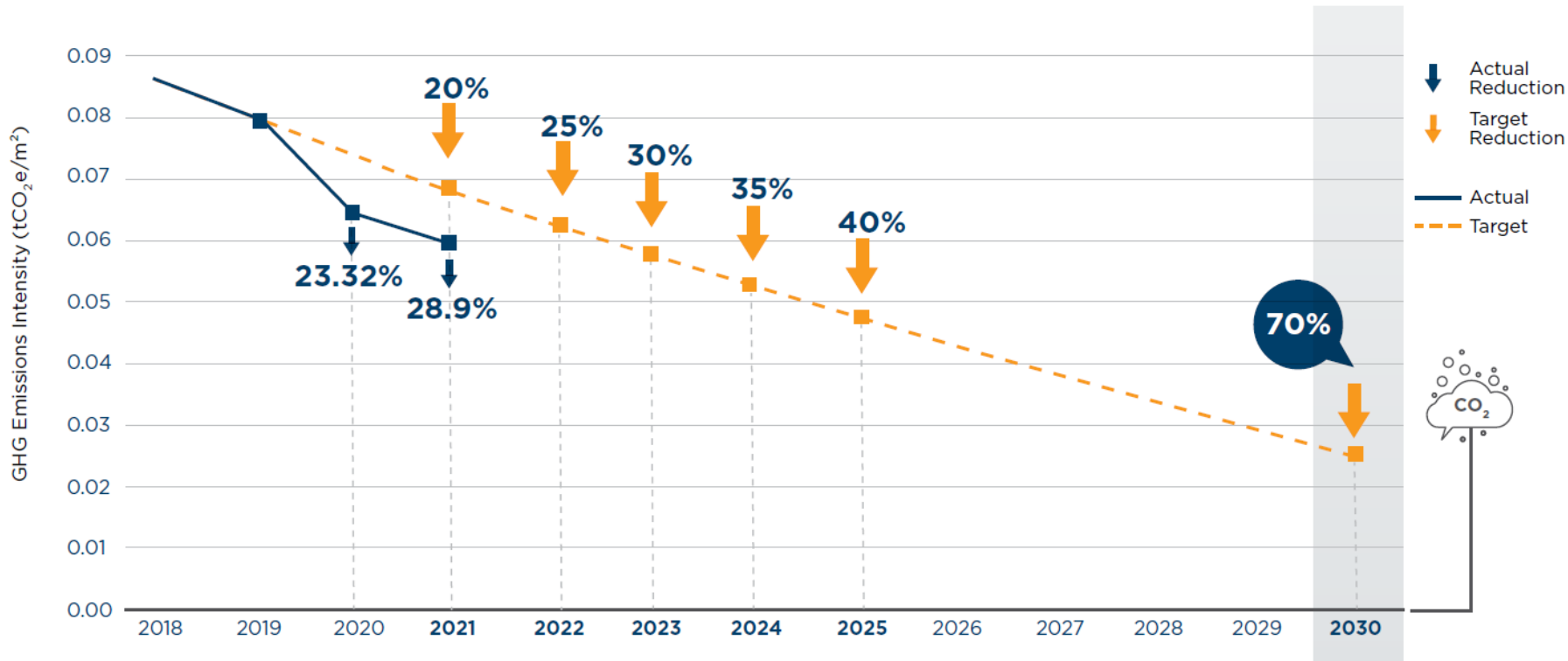
The 28 strategic ESG KPIs

- Approved by **Sustainability Steering Committee & Vice Chair**
- **Sustainability Team** tracks the progress of the Strategic ESG KPIs and **reports to Sustainability Steering Committee & Boards twice a year**
- **KPIs tied to biannual performance reviews** for employees and management at all levels, including C-level executives
- Full disclosure of **28 Strategic ESG KPIs for 2022** in our Sustainability Report 2021 (P. 94-95)



Climate Resilience: Scope 1 & 2 GHG Emissions

Scope 1 & 2 emissions progress (tCO₂e/m²): 2018-2030



Progress in 2021

- All properties contribute to an annual Greenhouse Gas (GHG) Mitigation Plan
- Achieved scope 1 & 2 **GHG emissions intensity reduction of 28.9%** in 2021 compared with 2018 baseline



2025 Target

40% cumulative reduction in GHG intensity (kg CO₂e/m²) relative to 2018



2030 Target

Demonstrate best efforts to achieve a **70% reduction in scopes 1 and 2 greenhouse gas emissions intensity (per m²)**, compared to 2018 baseline



Climate Resilience: Scope 3 GHG Emissions

Progress in 2021

- Completed our **first comprehensive inventory** of Scope 3 emissions (for 2020) in 2021
- Set **embodied carbon reduction target & tenant carbon reduction target** for 2025

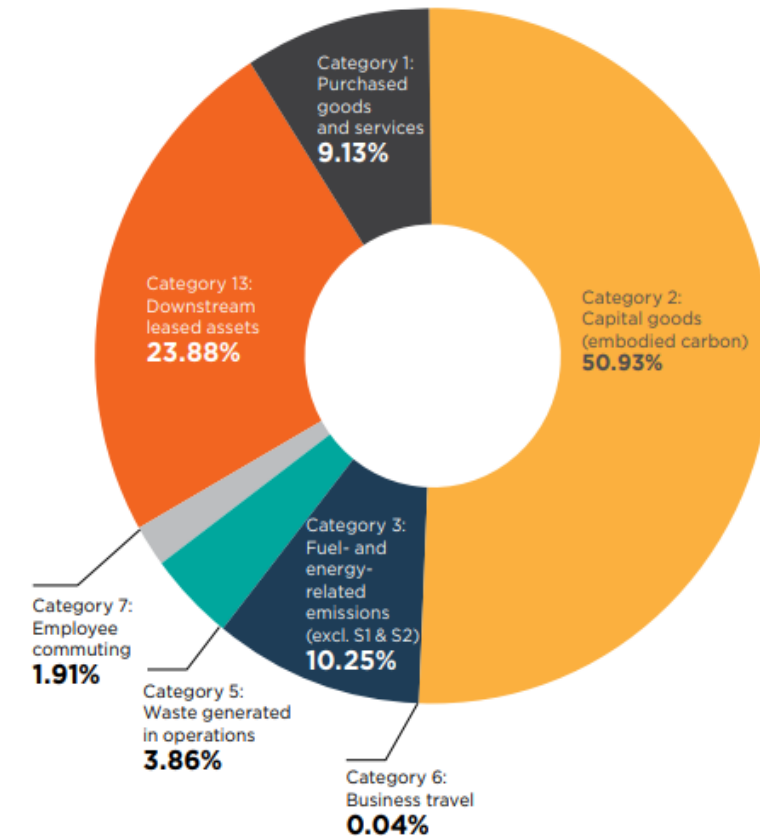
Scope 3 emissions breakdown in 2020

Capital goods
Embodied carbon from our building materials (e.g., steel and concrete):

~51%

Downstream leased assets
Emissions from our tenants' electricity consumption:

~24%



Source of emissions	2025 target	2025 Target	How we plan to achieve the target
Embodied carbon	<ul style="list-style-type: none"> Demonstrate best efforts to achieve at least 10% reduction in embodied carbon intensity (kg CO₂e/m²) for new development projects that begin in 2022 or later, compared to typical practice in an equivalent building 		<ul style="list-style-type: none"> Focus on key building materials Substitute lower carbon building materials and add design measures to promote material efficiency (i.e., reduce material quantities)
Tenants' electricity consumption	<ul style="list-style-type: none"> 15% reduction in GHG intensity (kg CO₂e/m²) from tenants' electricity consumption for our properties in mainland China, relative to 2018 		<ul style="list-style-type: none"> Tenant collaboration through Tenant Handbook and Fit-out Guide to drive energy consumption reduction Encourage tenants to install smart meters and smart sensors to monitor, control, and reduce their electricity consumption Potentially collaborate with tenants to install energy-efficient equipment Offsite renewable energy procurement

Climate Resilience: Renewable Energy

Spring City 66 is 100% powered by renewable energy

- In Dec 2021, we announced that **Spring City 66** in Kunming is now **100%** powered by **renewable energy**
- Spring City 66 is also the **first commercial complex in Yunnan Province to achieve net-zero carbon emissions in terms of electricity consumption**

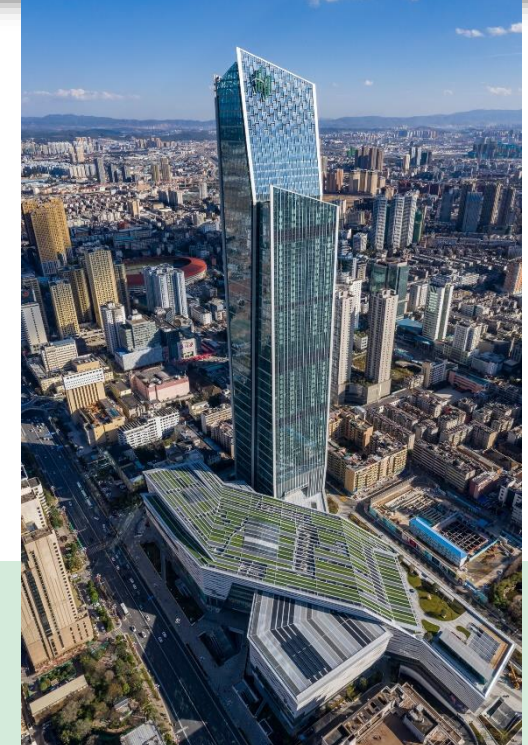
Transaction highlights:

Renewable electricity from **solar, wind** and **hydroelectric power**

Increase **usage of renewable electricity** to **over 14%** among our Mainland portfolio

Expect to reduce the property's **carbon emissions** by approx. **46,471 tonnes** per year

Expect to reduce the total annual **electricity cost** for both landlord and tenant areas about **10%** compared to 2021



2025 Target

25% of our mainland China portfolio electricity demand met by renewable energy

Climate Resilience: Climate Adaptation

Progress in 2021

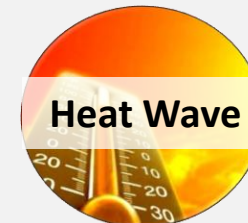
- Partnered with a climate risk consultancy to complete **property-specific physical climate risk assessments** across our portfolio
- Modelled the impact of potential changes to **key climate hazards** under various climate scenarios for the periods 2030-2050 & 2050-2070
- Completed **four workshops** (three at property level, one at corporate level) to review risks and identify potential adaptation measures



Key Findings



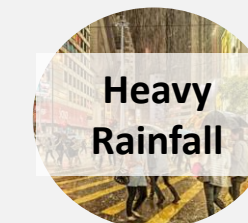
Significant rainfall flood exposure at multiple properties



Extreme heat exposure in several properties



Significant typhoon exposure at all properties in Hong Kong and over half of the properties in mainland China



Low storm surge exposure for most properties

Next Steps for 2022





- Conduct further **analysis** in identified properties of **flood and typhoon risks**
- Further assessment** of risks from municipal infrastructure and opportunities for collaboration
- Advance our **financial loss analysis** to strengthen the business case for adaptation over inaction
- Strengthen our **risk governance**, by further defining property-specific ownership of physical climate risks in 2022

2025 Target

Complete technical analysis for climate adaptation measures for all properties



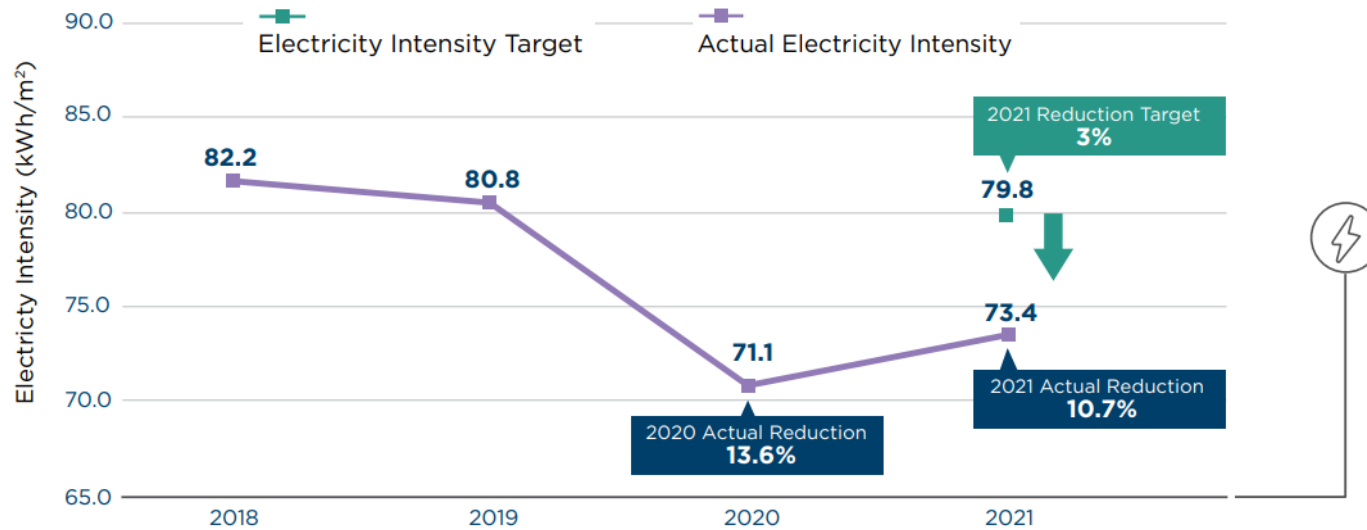
Resource Management

Category	Key Achievements in 2021	Key Initiatives for 2022	Reduction Targets for 2025
Energy 	<ul style="list-style-type: none"> Our electricity intensity in 2021 was 10.7% below our 2018 baseline 	<ul style="list-style-type: none"> Retro-commissioning at multiple properties Chiller plant upgrades at selected properties Shading/shutters/solar blind installations at selected properties 	<ul style="list-style-type: none"> 18% cumulative reduction in electricity intensity (kWh/m²) relative to 2018
Water 	<ul style="list-style-type: none"> Completed a detailed review of our water consumption between 2018 and 2020 	<ul style="list-style-type: none"> Replace fixtures, enhance landscaping and irrigation practices, improve efficiency in cooling towers, and increase water recycling 	<ul style="list-style-type: none"> 10% reduction in water intensity (m³/m²/year) relative to 2018
Waste 	<ul style="list-style-type: none"> Completed a waste data analysis for 29 properties across our mainland China and Hong Kong portfolios 	<ul style="list-style-type: none"> Streamline waste handling, advance e-waste office recycling, audit recycling waste streams, training on circularity 	<ul style="list-style-type: none"> 60% of construction waste diverted from landfill for new projects starting in 2022 with maximized recycling 70% of operational waste diverted from landfill



Resource Management: Electricity Intensity Reduction

Electricity intensity reduction from 2018-2021



Key internal measures



HVAC system and lighting optimization in most Hong Kong and mainland China properties



Installing variable speed drives for chilled and condensing **water pumps** in Amoy Plaza in Hong Kong and Center 66 in Wuxi



LED lighting upgrade in some Hong Kong and most mainland China properties



Lift modernization and upgrading works in Kornhill Plaza and 9 Wing Hong Street in Hong Kong

Case study:

Olympia 66's reduction in electricity intensity



In 2021, **Olympia 66** achieved a **24% electricity intensity reduction** by adjusting equipment setting, shutting down unnecessary equipment and day-to-day behavioral measures



2025 Target

18% cumulative reduction in electricity intensity (kWh/ m²) relative to 2018



Resource Management: Green Building Certifications

Case study: Westlake 66



- Received our **first LEED (Building Design and Construction Core and Shell Development v4) Platinum** Level pre-certifications for two office towers in our Westlake 66 in Hangzhou
- Attained **China Green Building Design Label (CGBL) 3-star** rating for our Westlake 66 in Hangzhou in 2021

Received **38** green building certifications or pre-certifications (as of 30 June 2022)

- **32** LEED Platinum/Gold certifications
- **4** BEAM Plus Existing Building certifications
- **1** BEAM Plus New Building certification
- **1** CGBL



>77%

construction floor area with green building certifications





Wellbeing: Employee Wellbeing

Engagement

- Conducted a company-wide **employee engagement survey** in May 2021 to obtain feedback on corporate culture, work-life balance and career development
- Overall participation rate > **97%**
- Action plans in place** to drive enhancement



2025 Target

Achieve an **employee engagement rating** greater than or equal to the **75th** percentile

Learning & Development

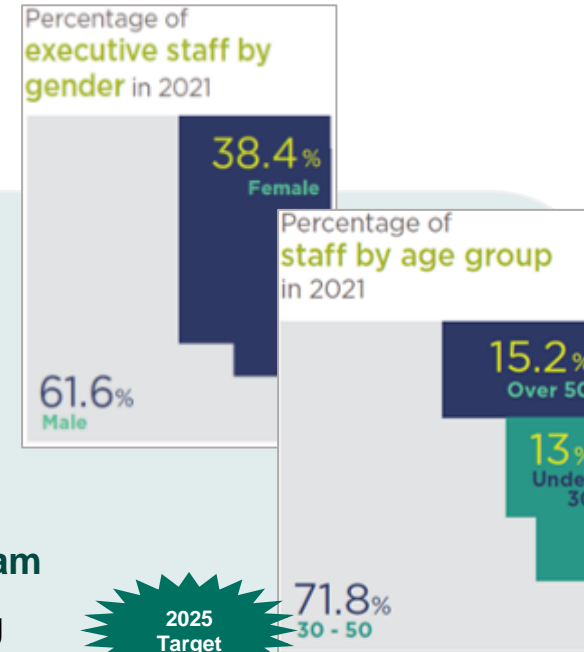
- Delivered **almost 95,000 training hours** in 2021 through **Academy 66**, covering integrity, health and safety, customer service, leadership, regulations, cybersecurity, etc.
- Continued to recognize frontline staff who deliver excellent customer service through **Emerald Award**
- Planning to deliver 450+ hours of **ESG training** targeted to specific departments on topics such as embodied carbon, energy efficient design, circularity, and wellbeing

2025 Target

Deliver priority **ESG training** targeted to **all departments & seniority levels**

Diversity & Inclusion

- About **38.4%** of executive employees are female in 2021
- Have plans to support top female executives in their leadership development through an external **executive female leadership program**
- Have partnered with **CareER** in Hong Kong, an NGO, to ensure that we will also consider people with disabilities or special needs when recruiting for recent graduates



Health & Safety

- Launched a **group-level Health & Safety Policy** in July 2022. The policy encourages collaborations and the exchange of best practices between our projects
- Established a **Service Delivery Safety Management Committee** (SDSMC) in 2021 to track relevant safety KPIs and monitor safety issues across our operations

2025 Target

Maintain a Lost Time Injury Rate of 1.5 or below for employees
Maintain zero work-related fatalities for employees and contractors

Wellbeing: Response to COVID-19

Employees

- Adopted flexible work arrangements as well as reporting and self-quarantine protocol from early 2020
- Encouraged Hong Kong staff to be vaccinated by offering **two extra days of paid vaccination leave** and **e-shopping coupons**
- Provided protective equipment to our staff



Customers

- Offered support, **both financially and non-financially**, during the business restrictions caused by COVID-19
- Sanitized and disinfected our properties with higher frequency
- Stepped up **sanitization of ventilation systems** with fresh air intake
- Placed **disinfection robots** in Hong Kong malls to ensure hygiene and good air quality



Wellbeing: Response to COVID-19 (Cont'd)

Hang Lung COVID-19 Relief Fund 2.0

Hong Kong

- In Feb 2022, we made our second donation valued **HK\$10 million** under the “**Hang Lung COVID-19 Relief Fund 2.0**” to provide targeted support for urgent public pandemic countermeasures and for the disadvantaged groups who have been most severely affected by the pandemic in Hong Kong. Details of support include:



Donation of **HK\$ 6 million** to support the establishment of “mobile cabin hospitals”



Disbursement of funds and other crucial pandemic-control resources to support the elderly and patients living alone

Disbursement of funds & provision of wellness & development support to young patients & children coming from underprivileged backgrounds



Donation of **10,000 “Anti-Pandemic Care Packs”** to support the operations of the Mobile Cabin Hospitals and the wider community



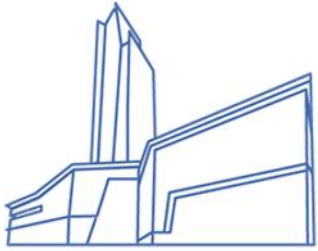
Mainland

- Announced a further injections of **RMB3 million** into the Relief Fund in support of pandemic countermeasures on the Mainland

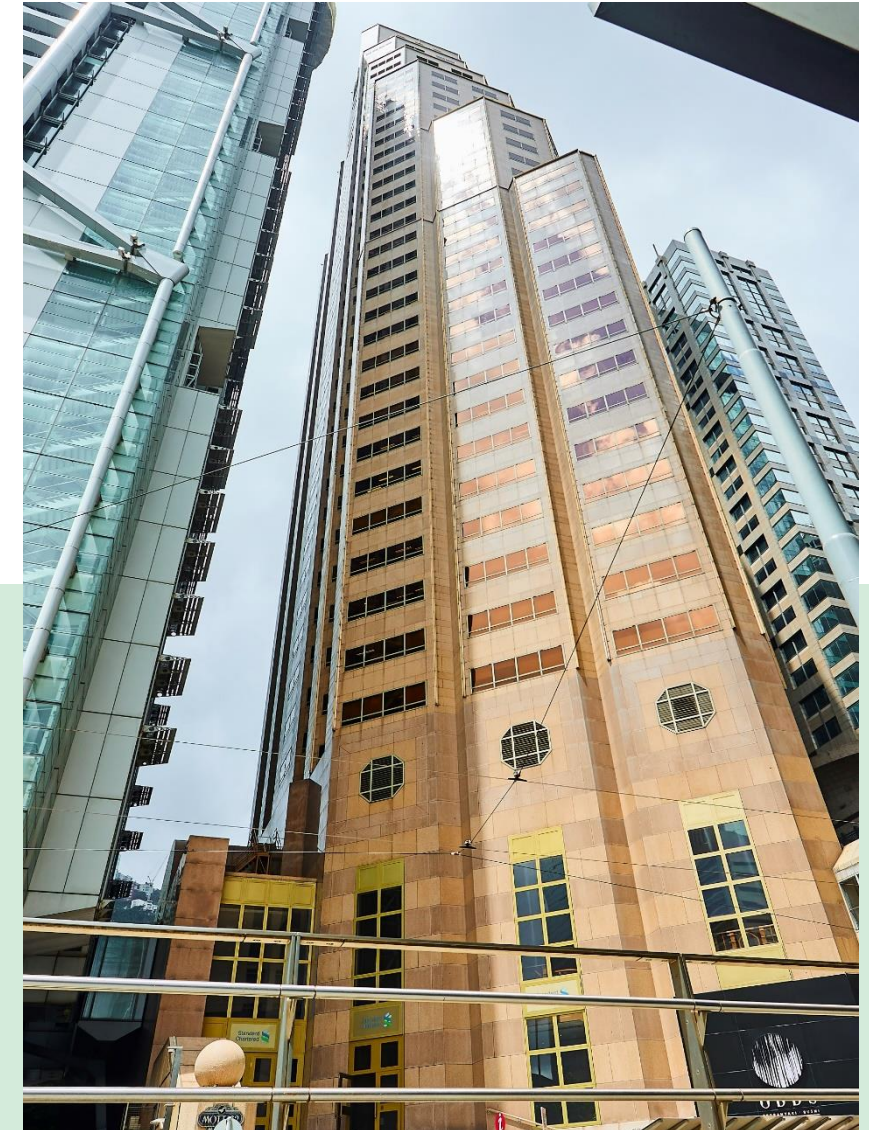


Nucleic acid sampling stations at Palace 66 in Shenyang

Wellbeing: Wellness Certifications



- The building area applying for **WELL and WELL Health and Safety Rating (HSR)** is around **37 million square feet** – nearly **64%** of total construction floor area will be certified with WELL or WELL HSR by 2023
- One of our projects under development, **228 Electric Road Redevelopment** in Hong Kong, achieved the **WELL Gold rating (Pre-certified)** in 2021



- Obtain **local or international health and wellness certification for all our existing Mainland properties**
- Obtain **WELL Gold certificate or equivalent** for at least **one new property** in Hong Kong and mainland China

Wellbeing: Community Investment

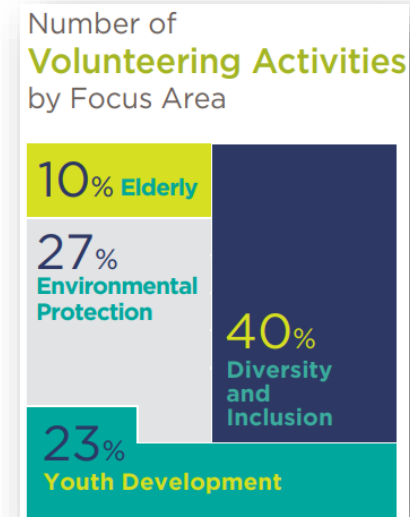
Hang Lung Mathematics Awards (HLMA)

- Founded in 2004, the biennial HLMA aims to empower secondary school students in Hong Kong to **realize their creative potential** in mathematics and sciences
- Over **2,400 students from 200 schools** have participated. Hang Lung Properties donates **HK\$2.5 million** to each competition.
- The ninth HLMA Presentation Ceremony was held in Dec 2021



Hang Lung As One volunteer teams

- Over 1,500 active volunteers
- Organized **138** volunteer activities, collectively contributing **more than 14,500 service hours** and **benefitting over 14,800 people** in Hong Kong and mainland China during 2021



Community Investment

Chair Mr. Ronnie Chan awarded the Grand Bauhinia Medal (GBM), the highest honor bestowed, by the Government of the Hong Kong Special Administrative Region

- The honor is given in recognition of his long and distinguished community service, particularly his dedication and significant contributions in developing and supporting Hong Kong's external relations, and promoting the development of tertiary education in Hong Kong and in nurturing talents
- Chair Mr. Ronnie Chan has also devoted great efforts in the promotion of cultural exchanges and conservation of cultural heritage. As a successful entrepreneur, Mr. Chan has made exemplary efforts in driving the economic development of Hong Kong



Chair Mr. Ronnie Chan awarded the 2018 Dwight D. Eisenhower Global Leadership Award
by the Business Council for International Understanding



The Dwight D. Eisenhower Global Awards Gala

- Chair Mr. Ronnie Chan was honored for his role as a business-statesman and his life-long commitment to philanthropy, the advancement of education, as well as building bridges in the pursuit of global stability
- Tributes from the late U.S. President George H.W. Bush and former U.S. Secretary of State Dr. Henry A. Kissinger were read out at the gala

Chair Mr. Ronnie Chan awarded the Rockefeller Award
by International House



The International House 2018 Awards Gala

- Chair Mr. Ronnie Chan was honored with the Rockefeller Award for Distinguished Philanthropic Service

Community Investment

Rebuilding of Jianfu Palace Garden & The Hall of Rectitude Complex in Beijing

- Projects funded by the China Heritage Fund, a non-profit organization created by Chair Mr. Ronnie Chan to preserve and restore Chinese cultural relics



The Hall of Rectitude Complex – Rebuilt completed in Nov 2012



Jianfu Palace Garden – Rebuilt completed in Nov 2005

Hang Lung Center for Real Estate, Tsinghua University, Beijing

- The Hang Lung Center for Real Estate serves as an academic platform for quality research, grooms talents in the areas of housing policy and security, land management and urban development, and provides research backup to the government in formulating policy



Inauguration ceremony in Apr 2010

Chan Family's Philanthropy

Harvard T.H. Chan School of Public Health

- The Morningside Foundation, founded by Chair Mr. Ronnie Chan and Non-Executive Director of Hang Lung Group Dr. Gerald Chan, made an unrestricted gift of USD350 million to Harvard University to support its School of Public Health
- At the time, it was the largest single gift Harvard has ever received
- In commemoration of the late Mr. T.H. Chan, founder of the Hang Lung Group, and the transformative donation made by his family, the Harvard School of Public Health has been renamed the Harvard T.H. Chan School of Public Health



Unveiling ceremony of Mr. T. H. Chan's portrait in May 2015



Gift announcement ceremony in Sep 2014

University of Southern California

- Chair Mr. Ronnie Chan and his wife Mrs. Barbara Chan made a USD20 million gift to the occupational science and occupational therapy program at the University of Southern California (USC), the first naming gift and the largest ever made to any occupational therapy program in the history of the field
- In honor of Mrs. T.H. Chan, mother of Chair Mr. Ronnie Chan, the division has been renamed the USC Mrs. T.H. Chan Division of Occupational Science and Occupational Therapy



Gift announcement ceremony in Sep 2014

MIT Morningside Academy for Design

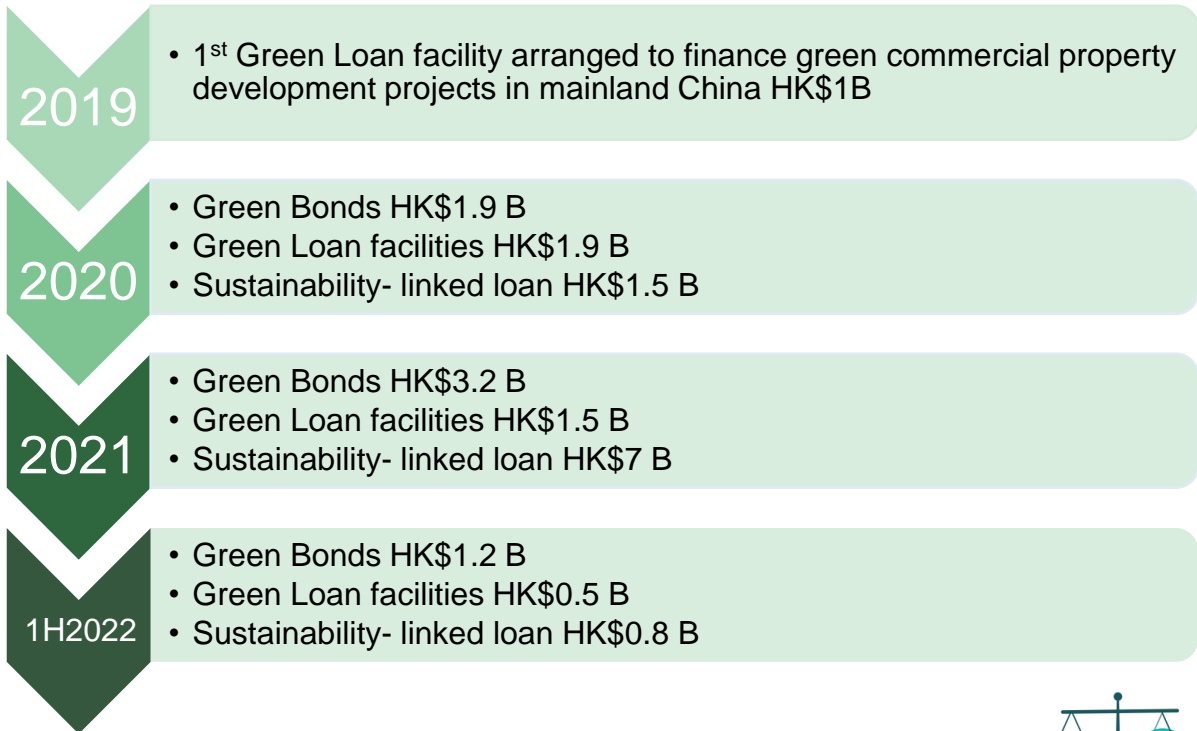
- The Morningside Foundation made a gift to MIT to create a new hub for cross-disciplinary education, research, and innovation across MIT
- The Academy will encourage design work at MIT to grow and cross disciplines. It will strengthen MIT's ongoing efforts to tackle pressing issues of global importance, such as climate adaptation, public health, transportation, and civic engagement



Sustainable Transactions: Sustainable Finance

Arranged Sustainable finance amounting to **HK\$20.5** billion as at 30 June 2022

Accounted for **33%** of total debts & available facilities (as of 30 June 2022, for HLP)



Categories of Eligible Green Projects

(with each category defined in Green Finance Framework)

- Green Buildings
- Climate Change Adaptation
- Energy Efficiency
- Renewable Energy
- Pollution Prevention and Control
- Sustainable Water Management

Examples of Green Projects

- Spring City 66 in Kunming
- Heartland 66 in Wuhan



50% of total debts and available facilities from sustainable finance



Sustainable Transactions: Collaboration with Suppliers & Tenants

Supplier Collaboration

Key Achievements in 2021

- For **operations**, developed a sustainable procurement strategy and strengthened the ESG features of our Operating Manual and Procedures
- For **projects under development**, we defined 16 ideas to improve sustainability

Key Plans for 2022

- Examining options and defining elements of a **digital platform for assessing suppliers' ESG performance**
- Incorporating some of the **16 improvement ideas** in our projects under development where feasible

**2025
Target**

Embrace technology to build a **robust digital platform** for assessing suppliers' ESG performance

100% of marketing events evaluated for their sustainability impacts

Tenant Collaboration

Key Achievements in 2021

- Collaborated with tenants on **multiple community sustainability initiatives** and enhanced our ESG communication to tenants through various channels
- Introduced **amendments to Tenant Handbook and Fit-out Guides** to incorporate more sustainability provisions, starting with Plaza 66 and Grand Gateway 66's office tenants in Shanghai in 2021

Key Plans for 2022

- Planning to host a conference later in 2022 to engage with some of our suppliers on **key sustainability issues**
- Extending the Tenant Handbook and Fit-out Guides amendments **to office and retail tenants of all Mainland properties**
- Studying similar potential amendments in Hong Kong

**2025
Target**

100% of leases incorporate sustainability provisions

Mainland China Portfolio

Luxury Malls on the Mainland

100%
Powered by
Renewable
Energy



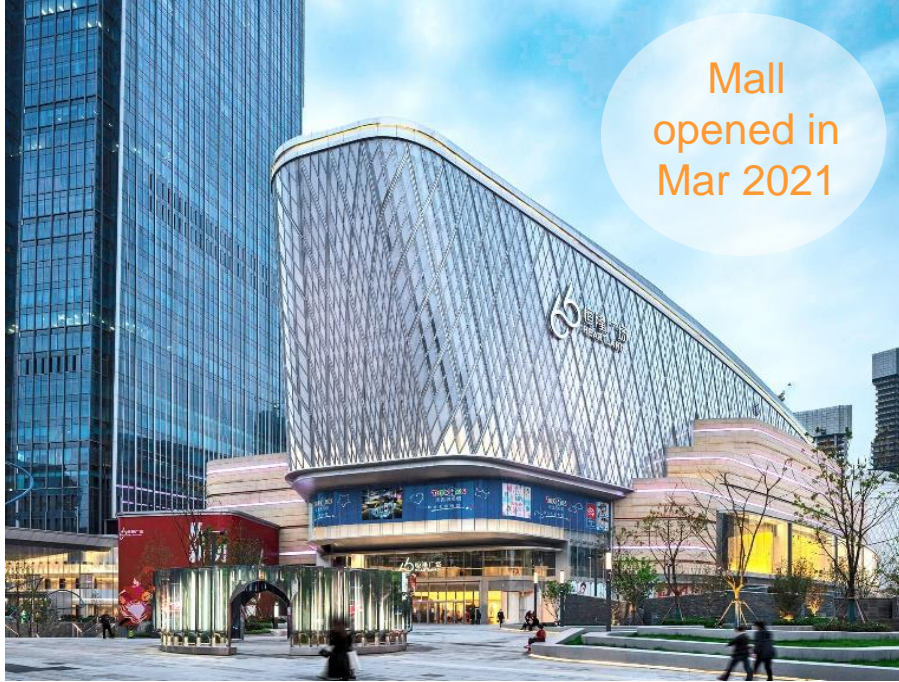
	Grand Gateway 66 Shanghai	Plaza 66 Shanghai	Forum 66 Shenyang	Center 66 Wuxi	Olympia 66 Dalian	Spring City 66 Kunming	Heartland 66 Wuhan
Completion Year	1999 to 2006	2001 to 2006	2012 onwards	2013 onwards	2015	2019 onwards	2020 onwards
Rental Revenue (6 months ended June 30, 2022)							
- Mall	RMB553M	RMB724M	RMB47M	RMB195M	RMB112M	RMB141M	RMB122M
- Office	-	RMB317M	RMB66M	RMB61M	-	RMB59M	RMB44M
- Hotel	-	-	RMB27M	-	-	-	-
Rental Revenue Change (YoY in RMB)	↓2%	↓12%	↓11%	↑8%	↑67%	↑23%	↑213%
Occupancy (at June 30, 2022)							
- Mall	99%	98%	90%	98%	89%	94%	84%
- Office	-	96%	92%	88%	-	79%	61%

Sub-luxury Malls on the Mainland



	Palace 66 Shenyang	Parc 66 Jinan	Riverside 66 Tianjin
Completion Year	2010	2011	2014
Rental Revenue (6 months ended June 30, 2022)			
- Mall	RMB82M	RMB151M	RMB83M
Rental Revenue Change (YoY in RMB)	↓9%	↑1%	↑1%
Occupancy (at June 30, 2022)			
- Mall	86%	92%	83%

New Luxury Malls outside Shanghai



Heartland 66, Wuhan

Key luxury brands opened in 2022:

TIFFANY & CO.

Cartier



Van Cleef & Arpels

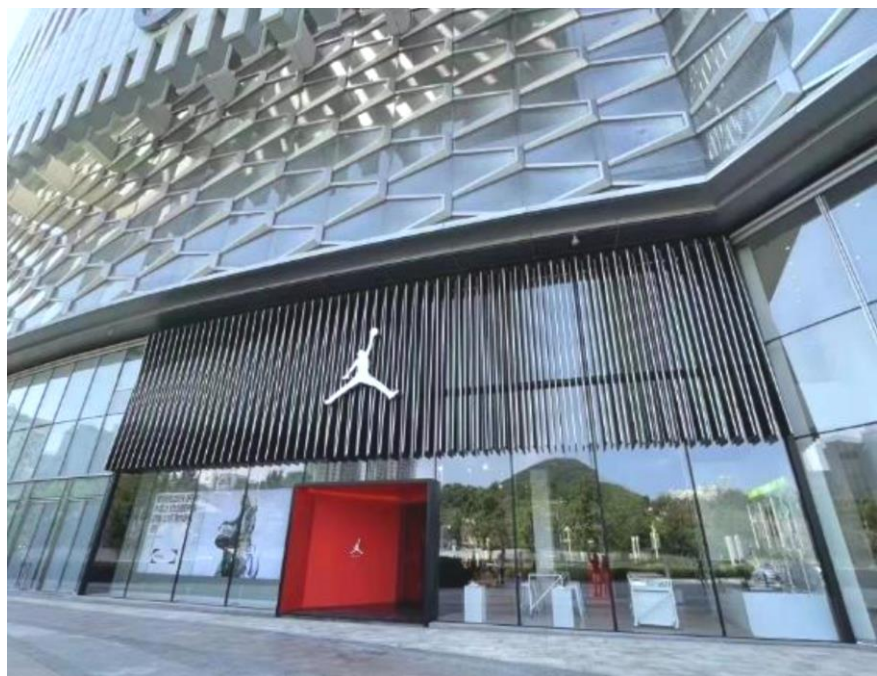


Opened in July 2022

Impressive assortment of luxury brands since mall opened in 2021



New Luxury Malls outside Shanghai



Olympia 66, Dalian

↑ **120%** Tenant Sales 1H22 (YoY)

A rich line-up of top notch key luxury tenants opened on L1:

Opened in 2022

GUCCI  **MIU MIU**  **TORY BURCH** 
MARC JACOBS  **HOGAN** **PHILIPP PLEIN**

 **BVLGARI** **CELINE** **BOTTEGA VENETA** **TIFFANY & Co.** **BURBERRY** **FENDI**
DIOR **COACH** **SAINT LAURENT** **BALENCIAGA** **EMPORIO ARMANI** **FRED** 
 **BRUNELLO CUCINELLI**  **CHAUMET**  **Loro Piana** **JIMMY CHOO**  **Pomellato**  **MONTBLANC PORTS**

Two Luxury Malls in Shanghai

- Shanghai's citywide lockdown in April and May 2022
- Both revenue and tenant sales recorded a healthy recovery in the month of June. We will roll out more marketing and promotion initiatives to accelerate the recovery



Plaza 66

Shanghai

↓ 38%

Tenant Sales 1H22 (YoY)

“Home to Luxury” brands including:

LV **GUCCI** *Cartier* **CHANEL**



DIOR **BVLGARI**

SAINT LAURENT **FENDI** **BURBERRY**



Grand Gateway 66

Shanghai

↓ 32%

Tenant Sales 1H22 (YoY)

Global luxury brands including:

LV **GUCCI** *Cartier* **CELINE**

FENDI
ROMA



BOTTEGA VENETA

IWC
SCHAFFHAUSEN

Van Cleef & Arpels

BALENCIAGA

Luxury Malls Outside Shanghai



Forum 66

Shenyang

↓ 16%

Tenant Sales 1H22 (YoY)

Key brands opened in 2022:	Upcoming key brand:
<p>IWC SCHAFFHAUSEN</p> <p>OMEGA</p> <p>PORTS</p>	<p>% ARABICA</p>



Center 66

Wuxi

↓ 1%

Tenant Sales 1H22 (YoY)

Key brands opened in 2022:	Upcoming key brands:
<p>BALENCIAGA</p> <p>TIFFANY & CO.</p> <p>TORY BURCH</p> <p>HOGAN</p> <p>Theory</p>	<p>BOTTEGA VENETA</p> <p>MIKIMOTO</p>



Spring City 66

Kunming

↑ 1%

Tenant Sales 1H22 (YoY)

Key brands opened in 2022:	Upcoming key brands:
<p>TUDOR</p> <p>Marisfrolg</p> <p>S.T. Dupont PARIS</p> <p>SALOM</p>	<p>VACHERON CONSTANTIN</p> <p>MIKIMOTO</p>

Sub-luxury Malls on the Mainland



Parc 66

Jinan

↓ 22%

Tenant Sales 1H22 (YoY)

- AEI started in Jun 2021 to pave the way for a stronger mix of **affordable luxury and beauty brands**



CHANEL
BEAUTÉ

GUCCI
beauty

LA MER

TOM FORD

YVES SAINT LAURENT

HR
HELENA RUBINSTEIN

LANCÔME
PARIS

shu uemura

JO MALONE
LONDON

- Completion in phases from 2022 onwards



Palace 66

Shenyang

↓ 26%

Tenant Sales 1H22 (YoY)

Upcoming key brands:

ARC'TERYX

TISSOT
SWISS WATCHES SINCE 1853

% ARABICA



Riverside 66

Tianjin

↓ 32%

Tenant Sales 1H22 (YoY)

Trendsetting lifestyle destination brands including:

Aquascutum
LONDON
雅格獅丹

KICKS LOUNGE

Upcoming key brand:

BREITLING
1884

Mainland China Office Portfolio



Plaza 66, Shanghai



Forum 66, Shenyang

Office Occupancy (at June 30, 2022)

96% (-1% vs end-21)

92% (same vs end-21)

Multinational Corporations
and Leading Domestic Companies

- LVMH
- Everbright Securities
- Cushman & Wakefield
- KPMG

- Bank of China
- HSBC
- Siemens
- Generali China

Other Features

-

Conrad Shenyang

Note: end-21 refers to Dec 31, 2021

Mainland China Office Portfolio



Center 66, Wuxi



Spring City 66, Kunming



Heartland 66, Wuhan

Office Occupancy (at June 30, 2022)

88% (same vs end-21)

79% (+8% vs end-21)

61% (+4% vs end-21)

Multinational Corporations and
Leading Domestic Companies

- AIA
- Mitsubishi Electric
- UBS
- Taikang Insurance

- Alibaba Group
- China Taiping
- Grandall Law Firm
- ICBC-AXA Life

- CITIC-Prudential Insurance
- DAIFUKU
- EY
- TotalEnergies

Other Features

HANGOUT

(first branded and self-operated
multifunctional workspace)

Modular office

(a ready-to-use office and refurbished with environmentally friendly
materials to attract different leasing demands)

Note: end-21 refers to Dec 31, 2021

Mainland China Residences Portfolio



Heartland Residences Wuhan

- **End 2023** onwards targeted completion

- Comprises 3 towers offering more than 490 units
- Pre-sale marketing activities for Tower 3 commenced in July 2022 and the public launch will be subject to market assessment



Center Residences Wuxi

- **2024** onwards targeted completion

- Comprises 2 towers with approx. 600 units
- Pre-sale is expected to be launched in 2023



Grand Hyatt Residences Kunming

- **2024** onwards targeted completion

- Sits above the Grand Hyatt Kunming hotel, featuring 254 apartments and 3 penthouses



Forum Residences Shenyang

- **2027** onwards targeted completion

- Comprises part of the Forum 66 development
- Master layout plan in the refining stage

Mainland China Hotel Portfolio



Conrad Shenyang (at Forum 66)

- Opened in **2019**



Grand Hyatt Kunming (at Spring City 66)

- Targeted Year of Opening: 2023



Curio Collection by Hilton (at Center 66)

- Targeted Year of Opening: 2024



Mandarin Oriental Hangzhou (at Westlake 66)

- Targeted Year of Opening: 2025

Mainland China Projects Under Development



Heartland 66
Wuhan



Spring City 66
Kunming



Center 66
Wuxi



Westlake 66
Hangzhou



Forum 66
Shenyang

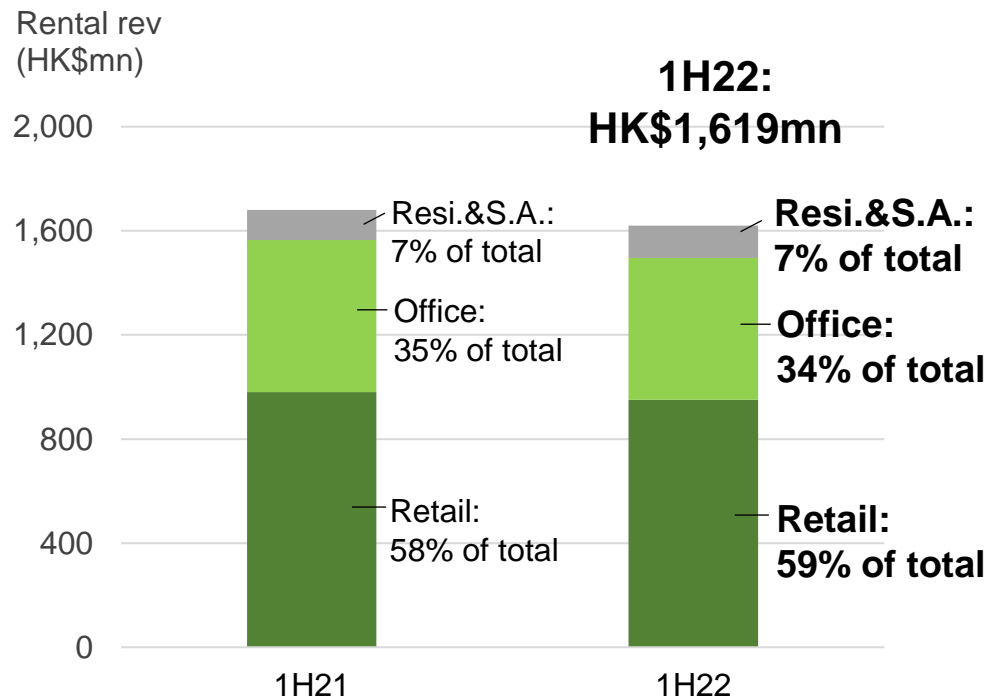
Land use right signed	Sep 2013	Nov 2011	Dec 2006 / May 2009	May 2018	Aug 2006
Usage	Mall, Office, Apartments for Sale	Mall, Office, Hotel, Apartments for Sale	Mall, Office, Hotel, Apartments for Sale	Mall, Office, Hotel	Mall, Office, Hotel, Apartments for Sale
All-in investment cost	RMB13B	RMB12B	RMB9B	RMB16B	RMB18B
Land cost (RMB per sq ft)	RMB 3.3B (RMB665/sq ft)	RMB 3.5B (RMB750/sq ft)	RMB 1.1B (RMB270/sq ft)	RMB 10.7B (RMB4,370/sq ft)	RMB 0.9B (RMB97/sq ft)
Total gross floor area	7.5M sq ft	6.7M sq ft	5.6M sq ft	2.5M sq ft <i>(Excluding GFA of car parks)</i>	12.6M sq ft
- Completed	6.1M sq ft	5.6M sq ft	4.0M sq ft	-	5.3M sq ft
- Under Development	1.4M sq ft	1.1M sq ft	1.6M sq ft	2.5M sq ft	7.3M sq ft
Completion Year	2020 – 2023 onwards	2019 – 2023 onwards	Phase 1: 2013 - 2019 Phase 2: 2024 onwards	2024 onwards	2012 – 2027 onwards

*The photographs, images, drawings or sketches shown in this section represent an artist's impression of the development concerned and is for reference only.

Hong Kong Portfolio

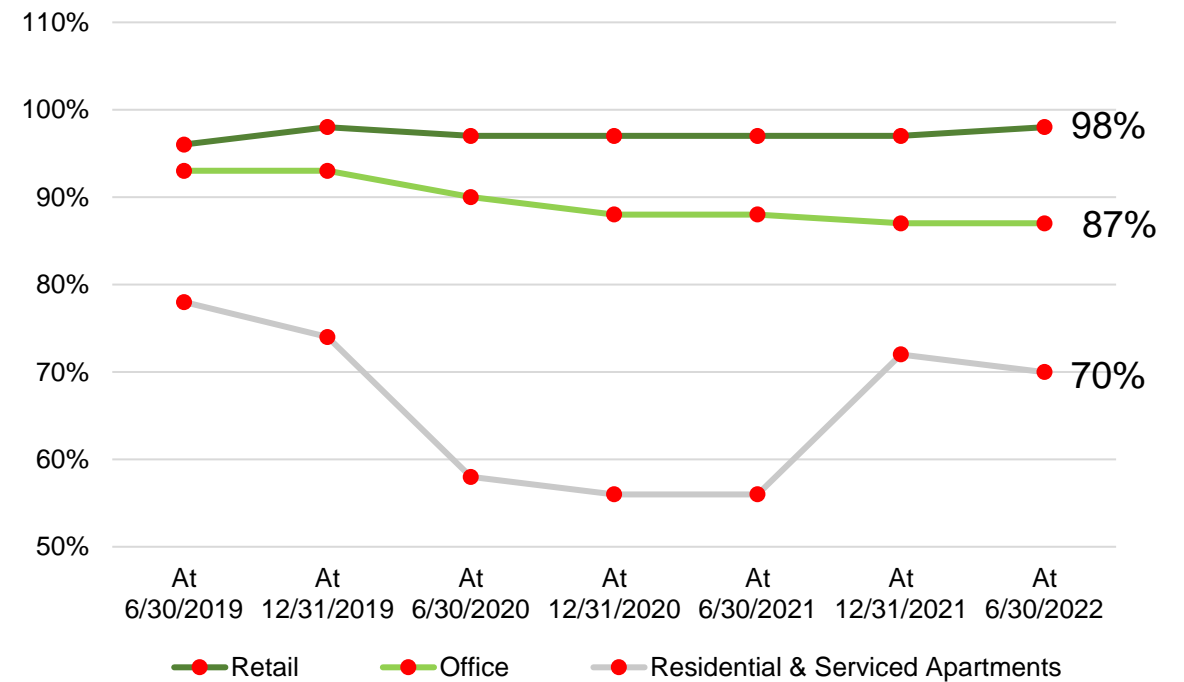
Hong Kong Rental Performance

Hong Kong Rental Revenue (HK\$m)



Hong Kong Occupancy (%)

Maintained at satisfactory level



Hong Kong Investment Properties

Central Portfolio

- Comprising 4 office buildings with diversified tenant profile



- A fine-dining hub in Central is in the making

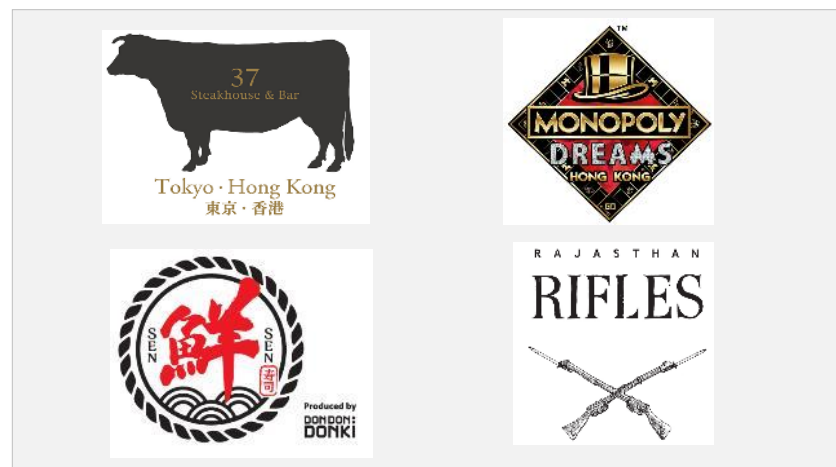


Peak Galleria

- A tourist landmark, with pet-friendly features to attract local pet lovers



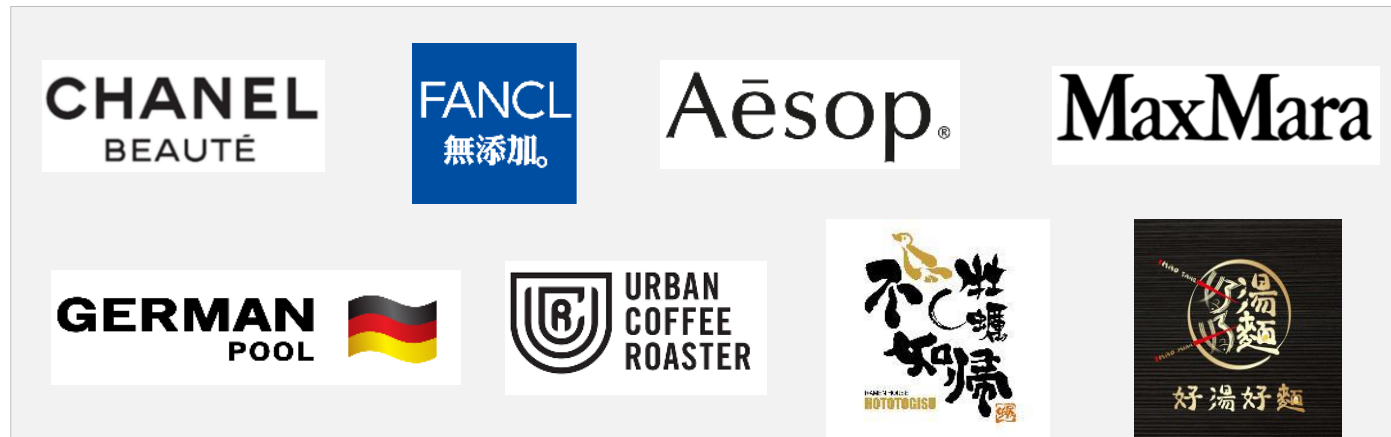
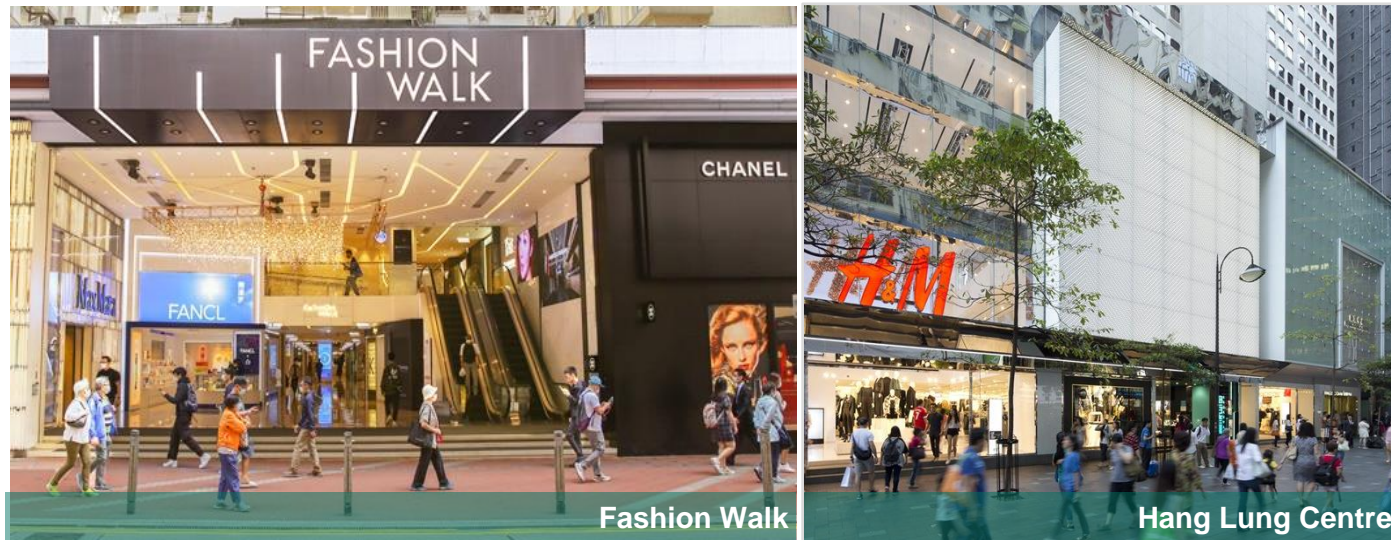
- A variety of F&B and entertainment offerings



Hong Kong Investment Properties

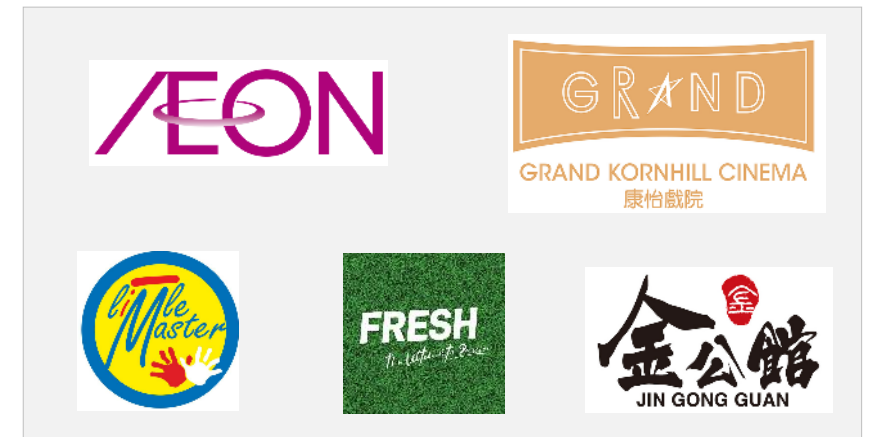
Causeway Bay Portfolio

- An elite shopping destination featuring numerous internationally renowned fashion, beauty, and lifestyle brands



Kornhill Plaza / Kornhill Apartments

- A community mall in Quarry Bay offering the largest Japanese department store in HK



Hong Kong Investment Properties

Mongkok Portfolio

- Continued to solidify the area's position as the place "Where Trends Meet"



Amoy Plaza

- A one-stop community hub in Kowloon East



Hong Kong Investment Properties (Under Development)



Taken in June 2022

228 Electric Road* Redevelopment

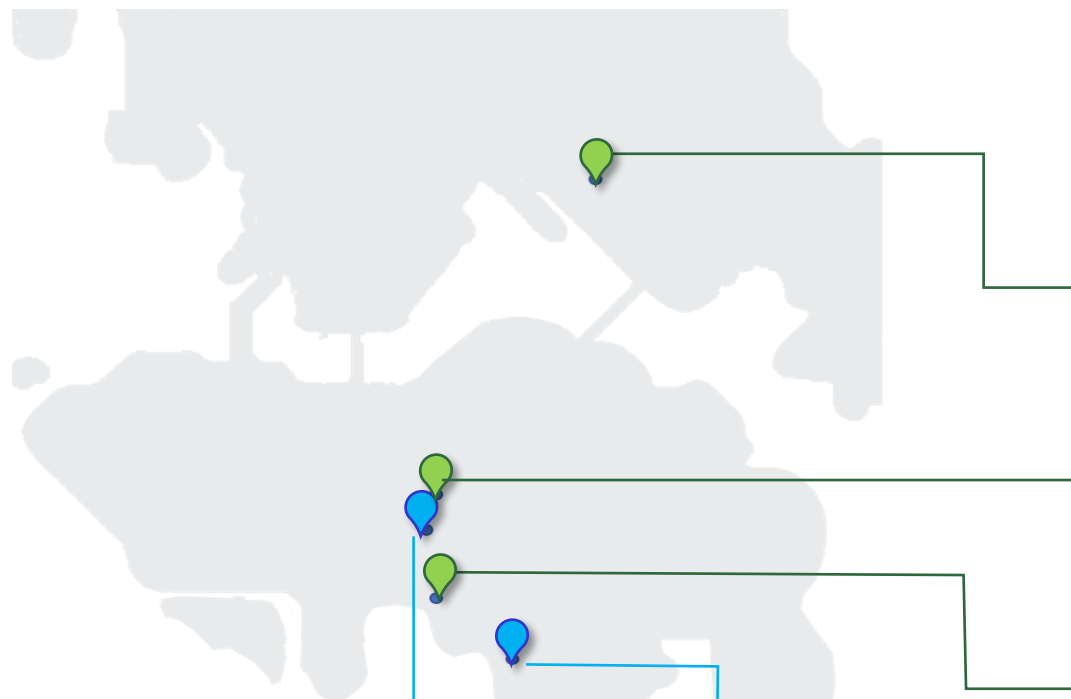
North Point

- Jointly developed with **Hang Lung Group Limited**

Usage	Grade A office tower / Retail area on podium floors
Total Gross Floor Area	105,000 sq ft
Expected Completion	2023
Green Building Certifications	<ul style="list-style-type: none">• LEED Pre-certification (Platinum Level)• WELL Pre-certification (Gold rating)

*This provisional building number is subject to confirmation when the building is completed.

Hong Kong Residential Properties at Prime Locations



For Sale

As of June 30, 2022	No. of unsold units	Remarks
The Aperture (under development)	169	Total 125 units were pre-sold, Revenue is expected to be recognized in 2023 upon completion
23-39 Blue Pool Road	10	Profit for the sale of one house was recognized in 2022

Investment Properties

- **The Summit**
- **Burnside Villa**

Shouson Hill Road Redevelopment (under development)

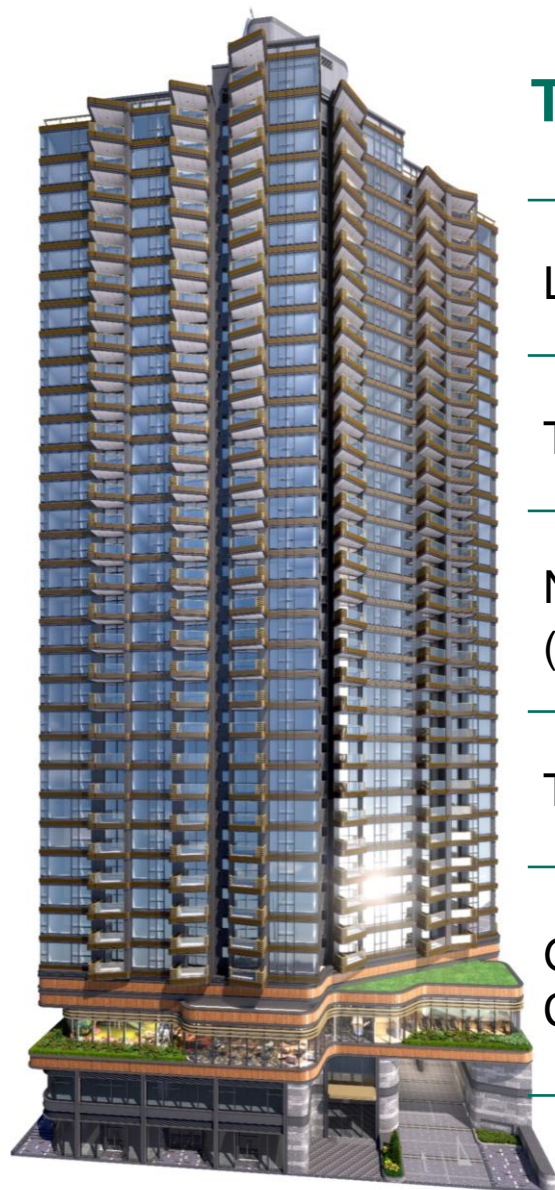


- Total GFA:
Approx. **47,397 sq ft**
- Expected Completion:
2024

Hong Kong Residential Properties



Scan to view
the website



artist's impression

The Aperture

Location	Kowloon Bay
Total no. of units	294 residential units
No. of pre-sold units (at June 30, 2022)	125 units
Targeted Completion	2023
Green Building Certification	BEAM Plus (New Building) Provisional Gold certification



Taken in June 2022

Hong Kong Residential Properties



23-39 Blue Pool Road



Location	Happy Valley
No. of completed units available for sale (at June 30, 2022)	10 semi-detached houses
Green Building Certification	LEED for Homes - Gold Level

Saleable Area per Unit	4,571 – 4,599 sq ft
Project Details	<ul style="list-style-type: none"> 3 floors plus roof floor 5 luxury en-suites Private elevator and garage

The photographs, images, drawings or sketches shown in this advertisement/promotional material represent an artist's impression of the development concerned only.

Hong Kong Residential Properties (Investment Properties)



The Summit

Location	Mid-Levels
Total no. of units	54 duplex suites



Burnside Villa

Location	Southern District
Total no. of units	56 units

Appendix

Hang Lung Properties – Financial Highlights

(HK\$M)	1-6/2022			1-6/2021		
	Property Leasing	Property Sales	Total	Property Leasing	Property Sales	Total
Revenue	4,986	316	5,302	4,975	-	4,975
- Mainland China	3,367	-	3,367	3,295	-	3,295
- Hong Kong	1,619	316	1,935	1,680	-	1,680
Operating Profit / (Loss)	3,575	133	3,708	3,652	(22)	3,630
- Mainland China	2,269	(19)	2,250	2,257	(9)	2,248
- Hong Kong	1,306	152	1,458	1,395	(13)	1,382
Underlying Net Profit / (Loss) *	2,109	108	2,217	2,220	(20)	2,200
Net change in fair value of Properties #	(269)	-	(269)	35	-	35
Net Profit / (Loss)	1,840	108	1,948	2,255	(20)	2,235
Rental Margin	72%			73%		
- Mainland China	67%			68%		
- Hong Kong	81%			83%		

*Exclude changes in fair value of properties, net of related income tax and non-controlling interests

#Net of related income tax and non-controlling interests

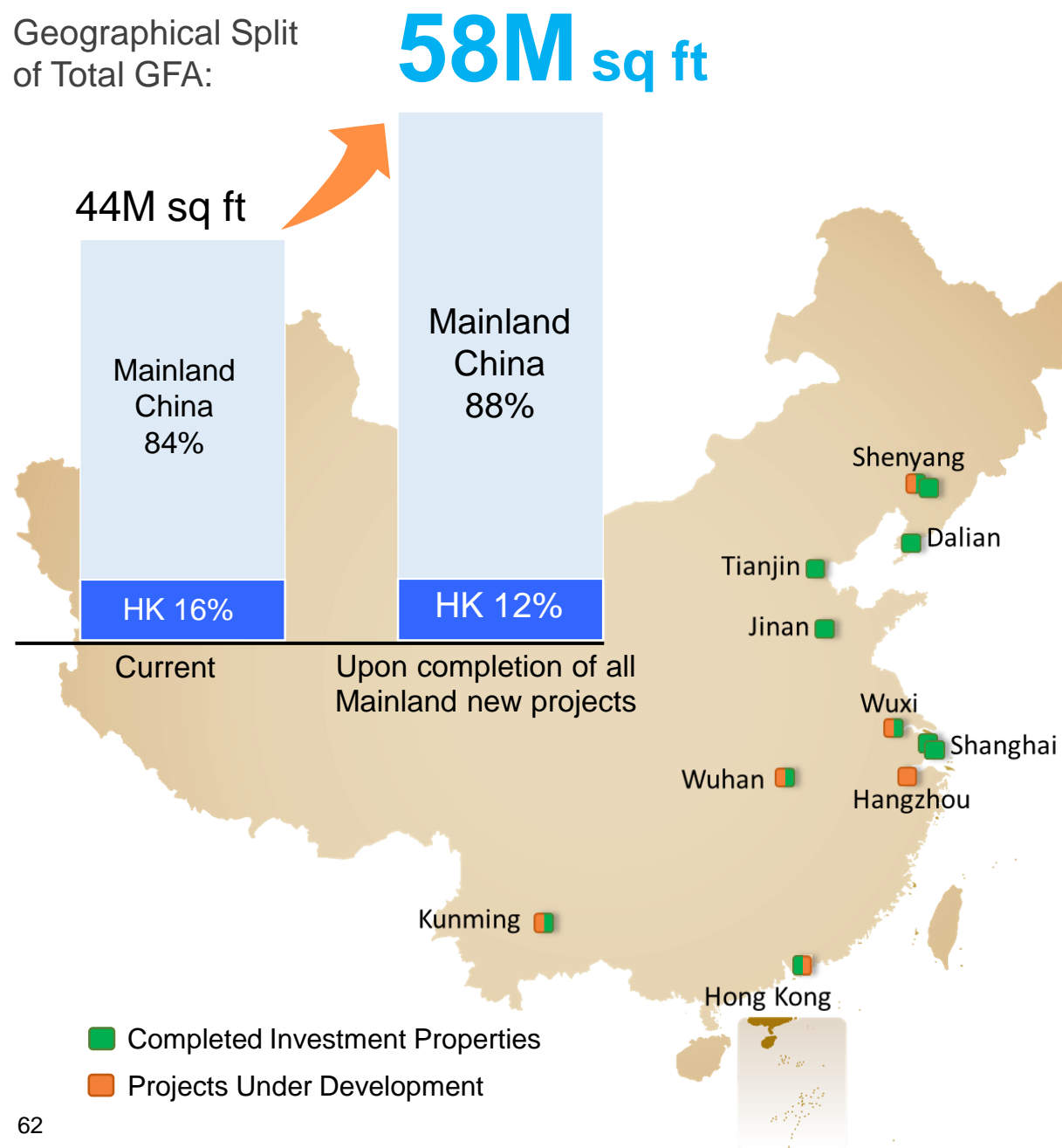
Hang Lung Properties – Financial Position

At June 30, 2022	30/6/2022 HK\$M	31/12/2021 HK\$M
Investment Properties	172,339	177,456
- Mainland China	112,582	117,649
- Hong Kong	59,757	59,807
Investment Properties under development	22,268	22,399
Properties for sale	11,019	10,790
Cash and bank deposits	4,730	8,515
Total Borrowings	44,337	45,695
Net Debt	39,607	37,180
Net Gearing Ratio	26.9%	24.4%
Total Assets	215,731	224,235
Shareholders' equity	136,548	141,719
Net Assets Attributable to Shareholders Per Share (HK\$)	\$30.3	\$31.5

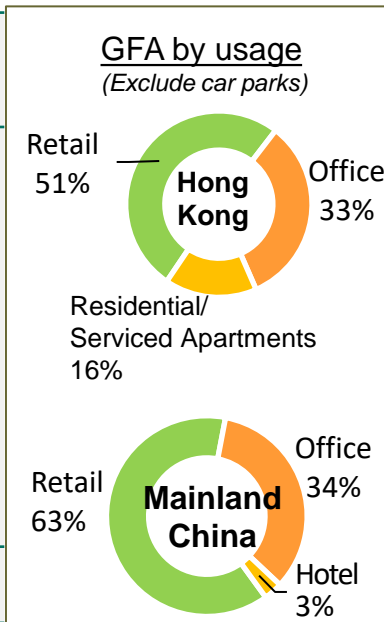
- As of June 30, 2022, total cash and available facilities amounted to HK\$39,714M, including available facilities of HK\$34,984M
- Total secured **HK\$20.5B** in **sustainable finance**, accounted for **33%** of total debts and available facilities

Investment Property Portfolio: HLP

Geographical Split of Total GFA:



Completed (M sq ft)		GFA
Hong Kong Portfolio		7M sq ft
Mainland China Portfolio		37.3M sq ft
<i>Shanghai</i>	Grand Gateway 66	1.8
	Plaza 66	2.9
<i>Shenyang</i>	Palace 66	2.0
	Forum 66	5.3
<i>Jinan</i>	Parc 66	2.8
<i>Wuxi</i>	Center 66	4.0
<i>Tianjin</i>	Riverside 66	2.8
<i>Dalian</i>	Olympia 66	4.0
<i>Kunming</i>	Spring City 66	5.6
<i>Wuhan</i>	Heartland 66	6.1
Total Completed		44.3M sq ft



Under Development (M sq ft)		GFA	Expected completion
Hong Kong - 228 Electric Road (Note 1)		0.07M sq ft	2023
Mainland China Portfolio (Note 2)		13.9M sq ft	
<i>Wuhan</i>	Heartland 66	1.4	2023 onwards
<i>Kunming</i>	Spring City 66	1.1	2023 onwards
<i>Wuxi</i>	Center 66	1.6	2024 onwards
<i>Hangzhou</i>	Westlake 66	2.5 (Note 3)	2024 onwards
<i>Shenyang</i>	Forum 66	7.3	2027 onwards
Total Under Development		13.97M sq ft	

Notes: 1. 228 Electric Road #Redevelopment (HLP held 66.7%) - Total GFA 105,000 sq ft
 2. GFA include apartments for sale in Mainland China
 3. Excluding GFA of car parks

This provisional building number is subject to confirmation when the building is completed

Hang Lung Group – Financial Highlights

(HK\$M)	1-6/2022			1-6/2021		
	Property Leasing	Property Sales	Total	Property Leasing	Property Sales	Total
Revenue	5,289	316	5,605	5,275	-	5,275
- Mainland China	3,607	-	3,607	3,526	-	3,526
- Hong Kong	1,682	316	1,998	1,749	-	1,749
Operating Profit / (Loss)	3,796	133	3,929	3,870	(22)	3,848
- Mainland China	2,441	(19)	2,422	2,419	(9)	2,410
- Hong Kong	1,355	152	1,507	1,451	(13)	1,438
Underlying Net Profit / (Loss) *	1,537	63	1,600	1,510	(12)	1,498
Net change in fair value of Properties #	(161)	-	(161)	10	-	10
Net Profit / (Loss)	1,376	63	1,439	1,520	(12)	1,508
Rental Margin	72%			73%		
- Mainland China	68%			69%		
- Hong Kong	81%			83%		

*Exclude changes in fair value of properties, net of related income tax and non-controlling interests

#Net of related income tax and non-controlling interests

Hang Lung Group – Financial Position

At June 30, 2022	30/6/2022 HK\$M	31/12/2021 HK\$M
Investment Properties	181,149	186,582
- Mainland China	119,576	124,962
- Hong Kong	61,573	61,620
Investment Properties under development	22,268	22,399
Properties for sale	11,040	10,811
Cash and bank deposits	5,401	9,140
Total Borrowings	44,898	45,883
Net Debt	39,497	36,743
Net Gearing Ratio	24.8%	22.3%
Total Assets	230,026	238,021
Shareholders' equity	93,953	95,842
Net Assets Attributable to Shareholders Per Share (HK\$)	\$69	\$70.4

- As of June 30, 2022, total cash and available facilities amounted to HK\$43,665M, including available facilities of HK\$38,264M
- Total secured **HK\$20.5B** in sustainable finance, accounted for **31%** of total debts and available facilities

Investment Property Portfolio: HLG

Note: Properties held via HLP are excluded from this session



9 Wing Hong Street

Cheung Sha Wan, HK

Office



Luen Cheong Can Centre

Tuen Mun, HK

Office



Tai Hing Gardens

Tuen Mun, HK

Retail portion



Grand Gateway 66

Puxi, Shanghai

Office Tower I &
Serviced Apartments



228 Electric Road* Redevelopment

North Point, HK

(Jointly developed with **HLP**)

Grade A office tower /
Retail area on podium floors



Citygate

Tung Chung, HK





(HLG's shareholding: 26.67%)

Mixed-use development with
retail, office & hotel

*This provisional building number is subject to confirmation when the building is completed.

Grand Gateway 66, Above Xujiahui Subway Station, Puxi, Shanghai



	Rental Revenue (6 months ended June 30, 2022)	Occupancy (at June 30, 2022)	Key tenants	
Office Tower I	RMB125M ↓1% YoY	98%	 	
			 	
Serviced Apartments	RMB74M ↑10% YoY	91%		
Mall (held via HLP)	RMB553M ↓2% YoY	99%		

End of Presentation

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