

Mainland China Property Sales and Development



Setting a new benchmark for urban living through quality design, prime locations, optimum connectivity, and an unparalleled pivot on the owner experience, Hang Lung Residences broadens the Company's customer-centric focus, aligning with the market's aspirations for premium living experiences.

Market Landscape

We expect the demand for high-end residential properties in mainland China to remain positive, despite underlying weaknesses in current market sentiment due to increased government regulatory control and liquidity issues among some local developers. There continues to be a demand for higher tier residential projects, with purchasers inclined to look for projects emphasizing quality, core locations, and well-established developers with a solid financial reputation.

Business Overview

In June 2021, we announced the launch of our Hang Lung Residences, which will bring premium serviced residences to mainland China. With projects in Wuhan, Wuxi, Kunming, and Shenyang, our developments will set a new benchmark for urban living and capture the Company's vision "to create compelling spaces that enrich lives".

This new revenue stream will form part of Hang Lung's long-term vision for sustainable growth by maximizing the value across our investment properties on the Mainland and highlighting our commitment to creating shareholder value. These developments will inject vitality into the real estate market with fully integrated and exciting new lifestyle experiences.

We draw on our extensive experience as a leading commercial property developer from Hong Kong with an established reputation for producing high-quality developments in mainland China and an eye for excellence.



Introduction to our Hang Lung Residences



Heartland Residences, Wuhan

Heartland Residences in Wuhan is the inaugural Hang Lung Residences project comprising three uniquely designed towers that offer 492 units, and a three-story clubhouse designed to accommodate the needs of the most discerning residents. Seamlessly connected to the Heartland 66 shopping mall and office towers, Heartland Residences benefits from a range of educational and medical facilities, greeneries, five-star hotels, and other amenities with a one-to-three-kilometer radius. The first batch of pre-sales is expected to start in the first half of 2022, while construction was topped out in November with completion in phases from the second half of 2023.

Location

Jingnan Avenue, Qiaokou District, Wuhan

Total gross floor area

131,493 square meters

Expected year of completion

2023 onwards



Center Residences, Wuxi

Center Residences forms part of the Phase 2 development of Center 66 in Wuxi. Building on the proven success of the luxury retail mall and two office towers at the world-class commercial complex, the Center Residences is set to transform the Central Business District into a work-life hub that presents a modern interpretation of this historic city's artistic and cultural heritage. The two high-rise towers share a gross floor area of around 100,000 sq.m, housing approximately 600 units and a world-class clubhouse. Adjacent to the property will be an international boutique hotel offering a total of 106 hotel rooms. Center Residences is expected to be launched for pre-sale from end 2022, with construction scheduled to be completed in phases beginning from mid-2024.

Location

Jiankang Lu, Liangxi District, Wuxi

Total gross floor area

99,953 square meters

Expected year of completion

2024 onwards



Grand Hyatt Residences Kunming

Grand Hyatt Residences Kunming is an integral component of the Spring City 66 development, which spans luxury retail, Grade A offices, and the five-star Grand Hyatt Kunming hotel. The Grand Hyatt Residences sits above the 332-room Grand Hyatt Kunming hotel, occupying the highest zone of the 250-meter-tall building. It offers 254 apartments that enjoy sweeping views across the city and three immaculate penthouses, each with its own private terrace and swimming pool. Pre-sale is expected to launch in the first half of 2023, and construction is scheduled to be completed in phases from the first half of 2024.

Location

Dongfeng Dong Lu/Beijing Lu, Panlong District, Kunming

Total gross floor area

98,054 square meters (including the total gross floor area of Grand Hyatt Kunming)

Expected year of completion

2024 onwards



Forum Residences, Shenyang

The Forum Residences comprises part of the Forum 66 development in Shenyang. Integrating seamlessly into the luxury retail mall, office establishment, and the renowned international hotel Conrad Shenyang, the Forum Residences offers the exclusivity of upscale urban living in the city. The master layout plan is currently being refined. Target pre-sale is expected from 2024.

Location

Qingnian Da Jie, Shenhe District, Shenyang

Total gross floor area

502,660 square meters*

Expected year of completion

2027 onwards

* This is the total gross floor area of the remaining phases of Forum 66, Shenyang

Hong Kong Property Sales and Development



We will continue to look for opportunities to sell completed residential properties and dispose of some non-core properties in Hong Kong to unlock value from our property portfolio, depending on market conditions.

Market Landscape

There was strong demand in the Hong Kong market during 2021, especially for small and medium units, which pushed prices up in the first half of the year. Mid-year property price indexes climbed to new highs before becoming more volatile following the introduction of China's new austerity measures. That, plus the spread of COVID-19 variants, weakened purchasing power and affected the property market in the second half of the year, offsetting part of the uptrend that occurred in the first half.

The luxury property market has adapted to COVID-19 and re-emerged as an attractive asset class since the second half of 2020 and strong momentum remained throughout the reporting year. With little new supply and strong market demand, the luxury property market continued to break record sale price.

We believe the residential market will remain resilient in 2022 due to the limited supply of homes, the robust performance of the luxury end of the market will continue.

Business Overview

During the reporting year, our new development project named The Aperture in Kowloon East started pre-sales in December. As the first new residential development in Ngau Tau Kok and Kowloon Bay districts in the last three decades, market response was positive, with a total of 123 units was sold as at the end of 2021, generating total sales proceeds of HK\$1,083 million – an average of HK\$22,644 per square foot. A new record was also set in the Kowloon Bay area, with the highest transaction priced at HK\$26,628 per square foot. Revenue is expected to be recognized in 2023 upon sale completion.

One house on Blue Pool Road was sold, with the sales revenue and profit from the transaction due to be recognized in the first quarter of 2022 upon the completion of the legal assignment. As such, no property sales revenue was recorded during the reporting period. The operating loss from property sales for 2021 in Hong Kong was HK\$53 million, mainly representing the pre-sale marketing expenses for The Aperture as well as other operating expenditures.

Non-core investment properties were disposed of as the opportunity arose. 34 car parking spaces at AquaMarine and The Long Beach were sold in the reporting year.

New Projects Under Development



The Aperture

Situated in the sought-after location of Kowloon East, The Aperture is Hang Lung's exquisite new residential project and embodies the **We Do It Well** philosophy. Close to the MTR Kowloon Bay Station and with three large shopping malls within close proximity, the development will satisfy residents' needs for daily necessities while offering premium living. With the superstructure currently underway and completion anticipated in 2023, the development will offer 294 units with a selection of one-bedroom to three-bedroom layouts.

Location

11 Ngau Tau Kok Road, NKIL 1744, Kowloon Bay

Total gross floor area

16,226 square meters

Main usage

Residential, Retail

Expected year of completion

2023

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

Shouson Hill Road Redevelopment

The land acquisition at 37 Shouson Hill Road in the Southern District of Hong Kong Island was completed in February 2021. The site will be re-developed into luxurious houses and is now in the planning stage.

Location

37 Shouson Hill Road, RBL 357, Southern District,
Hong Kong Island

Total gross floor area

4,403 square meters

Main usage

Residential

Expected year of completion

2024