

MAINLAND CHINA PROPERTY LEASING

Ongoing asset enhancements, tenant upgrades, and exhilarating collaborations bolstered our portfolio to offset a softer economy and mark a healthy recovery in both footfall and tenant sales. Occupancy and rental revenue held up in 2023.

Market Landscape

The Chinese economy's slow post-pandemic recovery has left a challenging retail and office leasing market in its wake. Retail sales across our portfolio have gathered momentum, fueled by China's young and rapidly developing luxury market.

Rising vacancy rates for premium office space continue to squeeze rental rates. The leasing market remains challenging, with companies hesitant to expand and some downsizing or looking for lower cost options.

Early indications point to a reacceleration in economic growth which, in addition to ongoing government support, bodes well for our leasing portfolio.

Business Overview

The initial post-pandemic rebound from a low base lifted overall tenant sales and revenue during the year's first half. Our full-year rental revenue soared 8% year-on-year in RMB terms, reflecting the ongoing normalization of the Mainland market.

Proactive marketing effectively leveraged the initial surge in tenant sales and rental revenue during the first quarter of 2023 through several popular events and innovative activations. In collaboration with our HOUSE 66 CRM program, we continue to engage loyal customers and acquire new members to solidify our market position.



Plaza 66, Shanghai

Year-on-Year Change in Rental Revenue on the Mainland (in RMB terms)



Gross Floor Area of Our Mainland China Properties (excluding car park area)



* For a detailed breakdown of gross floor area of our completed investment properties, please refer to table "C. Major Investment Properties" on page 75



For a detailed breakdown of gross floor area of our properties under development, please refer to table "A. Major Properties under Development" on page 72

Plaza 66, Shanghai

Shopping Mall

The jewel in the crown of our portfolio is home to over 120 luxury brands from around the world. Buoyed by Shanghai's ongoing popularity as a shopping destination, the mall experienced an increase in footfall, maintained full occupancy, and increased rental revenue, fed by a base rent increase and improved sales performance.

True to its reputation as the "HOME TO LUXURY", the mall added VIC salons by Louis Vuitton and Chanel and completed the expansion of flagship stores for Dior, Valentino, and Moncler. Plaza 66 launched a new store for La Prairie, and the first global concept store for CHANEL BEAUTÉ, which opened in December 2023, and its beauty avenue for more beauty spa experience and services.

Plaza 66 effectively weathered increasingly prudent consumers and a nationwide decrease in the average transaction value, especially among mid-tier customers, due to its effective CRM programs and privileges. Highlights include the well-received "HOME TO LUXURY" Party in November and its teaser event, "Game of Wonder", in April.

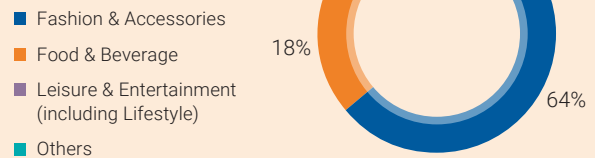
Looking towards 2024, the mall will continue refining its tenant mix, enriching its luxury designer label offerings, and flexing its strength and expertise in CRM planning and execution.

Office Towers

The twin Grade A office towers remained popular for top-tier multinationals and domestic companies in the finance, professional services, and fashion industries. LVMH was among the existing tenants that took on additional space. Overall, the occupancy rate remained high.

The ongoing supply of new offices in Shanghai, compounded by a weakening demand, has intensified vacancy rates. West Nanjing Road has proved more robust as a traditional core central business district compared to other locations.

Retail Segment Distribution (by Leased Floor Area)



Occupancy Rate



Number of shopping mall tenants (at year-end)

114



The 2023 "HOME TO LUXURY" Party was themed "Dazzling Galaxy" and brought together a constellation of our most esteemed tenants to celebrate the vibrant creativity of fashion, music, and artistry

Grand Gateway 66, Shanghai

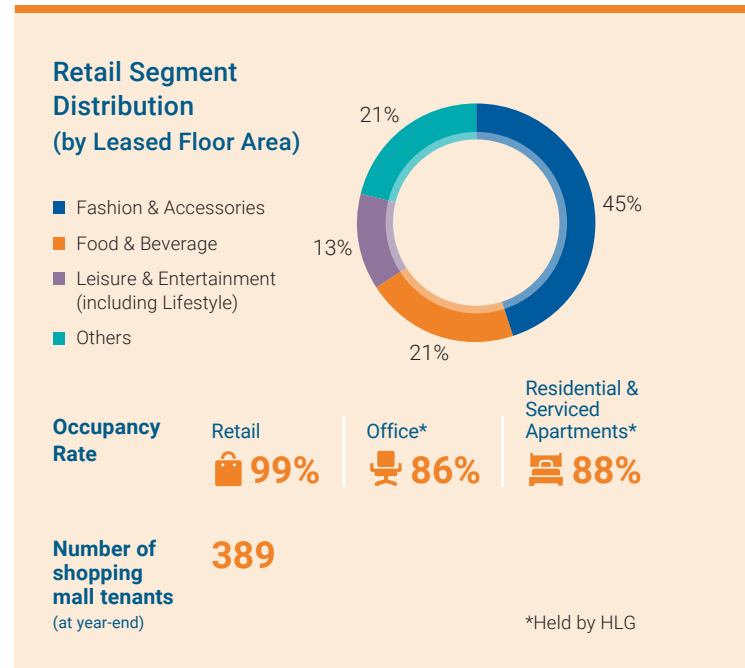
Shopping Mall

Grand Gateway 66 saw a healthy recovery in footfall. The diverse tenant mix demonstrated resilience in the face of shifting consumer behaviors, with food & beverage, athleisure, and jewelry & watch brands showing positive growth.

In 2023, Grand Gateway 66 welcomed 17 new first-in-town brands, including Dihn Van's first store in Asia Pacific, expanded Gucci into a duplex store, and enhanced its beauty tenant mix with high-end labels like Clé de Peau Beauté, La Mer, and Tom Ford. Transitional vacancies resulted in a slight drop in mall occupancy. Major vacant spaces are fully relet.

To offset luxury spending fluctuations, efforts focused on capturing business ahead of peak travel seasons and tailored offerings to domestic travelers. The HOUSE 66 CRM program showed healthy growth in members and member sales, stimulated by special point redemption gifts, exclusive members-only workshops, and experiences from Gucci, Tiffany, and Cartier. In May, Grand Gateway 66 joined hands with "The Phantom of the Opera" to bring a first-of-its-kind theater experience to the mall and bolster foot traffic and mall sales. In October, Grand Gateway 66 collaborated with GQ and the majority of its retail brands for a star-studded "Millard Party" anniversary celebration that transformed the inner street into a bustling neighborhood.

Looking forward, Grand Gateway 66 will enhance its beauty offering, strengthen its tenant mix, and continue investing in strategic promotions and marketing initiatives.



Grand Gateway 66 teamed up with "The Phantom of the Opera" to bring a first-of-its-kind theater experience to the mall, bolstering foot traffic and mall sales

Palace 66, Shenyang

The thriving local tourism market and uplift in footfall have contributed to increased tenant sales at Palace 66. The mall's performance, particularly in the latter half of the year, was further carried by new stores coinciding with a gradual improvement in consumer sentiment.

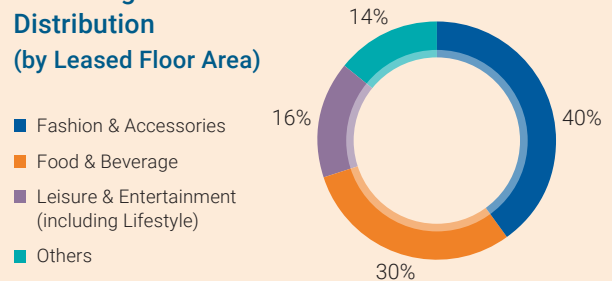
Fueled by the market recovery and tenants' confidence in Palace 66 as an increasingly popular shopping destination, the mall successfully increased occupancy.

In 2023, Palace 66 welcomed athleisure brands On and The North Face joined the likes of Descente and Lululemon; upgraded almost 50% of its food & beverage tenants; and enriched its fashion and accessories offering with Emporio Armani and Meilleur Moment among others.

The well-received "Palace 66 Summer Music Festival" delighted customers with live performances on weekends and during holidays to rack up record-breaking footfall and outstanding tenant sales.

In 2024, Palace 66 will leverage the ongoing market recovery to attract a broader selection of retail brands, particularly athleisure, ladies' fashion, and jewelry & watch brands, and continue diversifying its dining options. Salomon and Bananain are among brands set to unveil new stores this year.

Retail Segment Distribution (by Leased Floor Area)



Occupancy Rate

Retail
90%

Number of shopping mall tenants (at year-end)

229



The well-received "Palace 66 Summer Music Festival" delighted customers with live performances on weekends and during holidays

Forum 66, Shenyang

Shopping Mall

The home of luxury brands and high-end dining in Shenyang, Forum 66 increased both tenant sales and rental revenue in 2023. Despite a bump in consumer sentiment and a surge in local tourism, the mall felt the impact of outbound tourism recovery on high-end shopping across the Mainland.

Nonetheless, the city's stable economic growth and improved spending power are boding well for food & beverage and lifestyle brands. In 2023, Forum 66 upgraded popular restaurants Guli Mountain Hot pot, Jiaoai, and Rosmarino to enhance its food & beverage offering. The mall's business was supported by jewelry & watch brands like IWC, Omega, and Piaget and Chanel's only store in Shenyang.

Due to ongoing improvements in the tenant mix, occupancy at Forum 66 is slightly down. In 2023, the team boosted footfall and tenant sales by bringing the FAS Art Exhibition to Shenyang for the first time, showcasing 9 artists across diverse fields. VIP members were treated to exclusive events and engagements with the artists on display.

Encouraged by Shenyang's positive economic outlook for 2024, Forum 66 will continue refining its tenant mix to improve sales, mainly food & beverage and jewelry & watch brands.

Office Tower

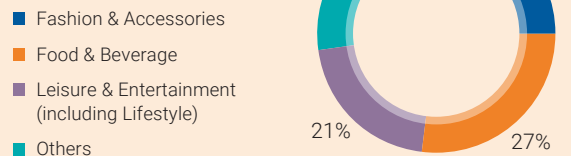
Northeast China's tallest building boasts a strong tenant mix and a solid base from the banking, manufacturing, professional services, TMT, and finance industries. Despite a decreased demand for office space and aggressive discounting by rivals, Forum 66 Office Tower welcomed the likes of Siemens Energy and Sinolink Securities, while Dacheng added floorspace to its offices.

Going forward, Forum 66 Office Tower will focus on tenant retention and developing new prospects to counter ongoing challenges owing to abundant supply in the area.

Hotel

Capitalizing on a fast-recovering domestic tourism market, particularly over the summer months, Conrad

Retail Segment Distribution (by Leased Floor Area)



Occupancy Rate



Number of shopping mall tenants (at year-end)

129



The Forum 66 team boosted footfall and tenant sales by bringing the FAS Art Exhibition to Shenyang for the first time, showcasing 9 artists from diverse fields

Shenyang enjoyed a positive 2023. While corporate demand saw a steady return, international tourism remained flat. The market remains hesitant toward restaurant and event spending.

The hotel has been voted one of the top 20 hotels in China by *Condé Nast Travel* and remained as the market leader in Shenyang based on revenue per available room by *Smith Travel Research*.

Parc 66, Jinan

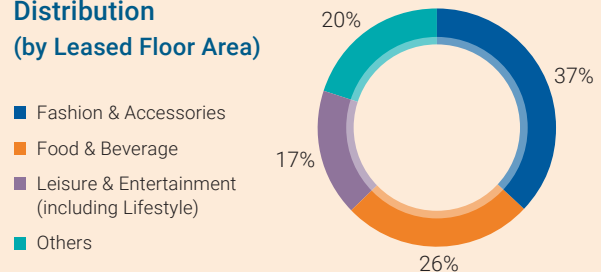
With its prime location in the Jinan central business district and surrounding tourist hotspots, Parc 66 remains the city's first choice for mid to high-end brands. The ongoing tourism recovery and consumer sentiment following the pandemic further bolstered the mall's already stable footfall.

Parc 66 debuted a new look following the completion of the first phase of its Asset Enhancement Initiative (AEI). Major interior renovation works on L1 and L2 in both East and West Wings included new shops, lifts and escalators, washrooms, arcade floor and ceiling, and mechanical and electrical services. Exterior renovations encompassed soft landscaping, paving, lighting, and façade improvement. New food & beverage tenants such as Maluji, Laowang, first-in-town Jubaoyuan and a growing number of high-end beauty and jewelry & watch brands like Guerlain, Giorgio Armani, Sisley, Breitling, Lukfook Joaillerie and the Chow Sang Sang flagship store further enhanced the mall's tenant mix.

In collaboration with tenants, Parc 66 transformed its inner street into an outdoor music festival headlined by The Face to draw customers with live music, markets, street photography, and a kiss cam. The first-ever "Chill Out My Wave" event delivered a significant bump in both footfall and tenant sales.

Looking forward, Parc 66 will further enhance its jewelry & watch, food & beverage, and lifestyle offerings and welcome new brands such as Qeelin, Brompton's flagship store debut and Old Melodies' debut in Shandong Province, and upscale Japanese restaurant Anjin BBQ's debut in China. Phase 2 of the AEI, which includes renovation to the upper levels (L3 to L7), is due for completion between late 2024 and early 2025 and will further improve the shopping experience and customer flow.

Retail Segment Distribution (by Leased Floor Area)



Occupancy Rate

Retail
🛍️ 93%

Number of shopping mall tenants (at year-end)

342



In collaboration with tenants, Parc 66 transformed its inner street into a venue for the first-ever "Chill Out My Wave" music festival. The outdoor event drew customers with live music, markets, street photography, and a kiss cam

Center 66, Wuxi

Shopping Mall

Celebrating its 10th anniversary in 2023, Center 66 built on its reputation as the leading luxury mall in Wuxi and southern Jiangsu. Healthy tenant sales and positive rental reversions led to an increase in rental revenue.

Despite the impact of outbound tourism recovery on high-end shopping and increasingly conservative consumers, Center 66 achieved robust growth in quality footfall and retail sales. Highlights include upgrades on the upper floors and the expansion of key luxury tenants, particularly duplex boutiques for Louis Vuitton, Gucci, and Hermès. In 2023, the mall also successfully brought 28 new brands to Wuxi, including the first-in-town pop-up shop for Dior, Byredo, Creed, Läderach, Bonpoint and Salomon.

The much-anticipated “Take Center Stage” event returned for the third year in September to delight VICs with a three-night gala dinner in collaboration with Cartier. Exclusive merchandise and events around the campaign achieved footfall growth and record sales for several tenants.

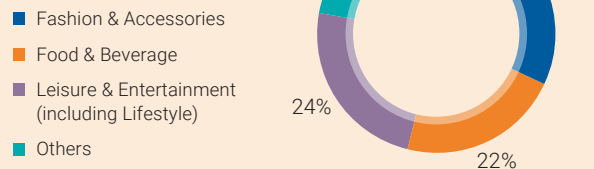
In 2024, Center 66 will continue refining its tenant mix, particularly the upper floors and food & beverage tenants, and bolster footfall and customer loyalty with an additional signature event.

Office Towers

Reliably popular among finance, insurance, TMT, and professional services tenants, the overall occupancy of the 2 Grade A office towers remained stable. High vacancy rates at competing properties kept a lid on rents.

Center 66 Office Tower welcomed newcomers China Taiping and Siemens while our self-service workspace, HANGOUT, gained traction to improve capacity. Going forward, the multifunctional workspace aims to attract quality small and medium-sized enterprises.

Retail Segment Distribution (by Leased Floor Area)



Occupancy Rate

Retail

98%

Office

85%

Number of shopping mall tenants (at year-end)

250



The much-anticipated “Take Center Stage” event returned to Center 66 for the third year. Exclusive campaign merchandise and events achieved footfall growth as well as record sales for several tenants

Riverside 66, Tianjin

Buoyed by a rapidly recovering domestic tourism market and a substantial increase in average daily footfall, Riverside 66 recorded marked improvements across all success metrics. In 2023, proactive leasing management and marketing and customer care programs countered the impact of socio-economic headwinds and increased competition from a surge of new large-scale shopping malls launched during the year.

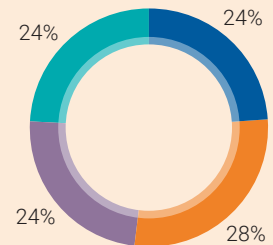
Riverside 66 further diversified its tenant mix, adding more food & beverage, jewelry & watch, and fashion and accessories brands. Highlights among the new leases secured include 16 first-in-town stores like Manner Coffee, OTF, and Chun K.

The HOUSE 66 CRM program increased membership and member sales and improved weekday sales by enticing nearby office workers with food & beverage promotions. A “520” series of thrilling events drew large crowds, including dressing city landmarks like the century-old Starbucks façade with seasonal themes and creating popular attractions such as a mini concert at North Piazza.

In 2024, Riverside 66 will continue enhancing its leasing strategy and tenant mix, particularly top-end and food & beverage brands, to boost mall-wide footfall and tenant sales. Planned highlights include the Super All Day entertainment brand and Setirom flagship store.

Retail Segment Distribution (by Leased Floor Area)

- Fashion & Accessories
- Food & Beverage
- Leisure & Entertainment (including Lifestyle)
- Others



Occupancy Rate

Retail **90%**

Number of shopping mall tenants (at year-end)

256



At Riverside 66 in Tianjin, large crowds visited the mall in May for a “520” series of thrilling events, including dressing city landmarks, such as the century-old Starbucks façade, with seasonal themes

Olympia 66, Dalian

Marking its successful evolution into the region's luxury shopping destination, including consolidating luxury brands in Dalian, Olympia 66 achieved a hike in sales across luxury, sub-luxury, and food & beverage trades.

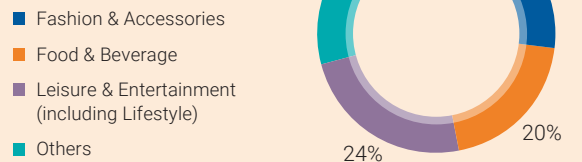
Following the opening of borders, the mall leveraged its prime location in a tourist hotspot to increase tenant sales, particularly during the summer months, despite sluggish economic growth and lackluster consumer sentiment.

Ongoing efforts to upgrade its tenant mix added to positive rental reversions led to an increase in rental revenue. A new cosmetic zone has been opened with CHANEL BEAUTÉ's first boutique in Dalian, alongside Dior Beauty, La Mer, and Guerlain. In 2023, Olympia 66 also welcomed first-in-town brands Maison Margiela, Marni and pop-up stores for Thom Browne and Roger Vivier. The mall added new luxury brands Vacheron Constantin, Canada Goose, Versace, Breitling, GIADA and Ferragamo.

A seventh-anniversary celebration in collaboration with over 150 tenants enhanced customer loyalty via the HOUSE 66 CRM program. The event achieved record-breaking tenant sales and the mall's second-highest daily footfall count.

In 2024, Olympia 66 will convert its east atrium on B1 to jewelry & watch and light food & beverage tenants. The mall will continue refining its tenant mix, particularly luxury, digital, kids retail, and fashion and accessories brands.

Retail Segment Distribution (by Leased Floor Area)



Occupancy Rate

Retail
90%

Number of shopping mall tenants (at year-end)

369



Olympia 66 in Dalian held a grand celebration for its brand-new look. The extravaganza brought fashion, culture, and art together to showcase the mall's spectacular lineup of international brands and experiences

Spring City 66, Kunming

Shopping Mall

Despite slow economic growth in Kunming, Spring City 66 achieved increases in tenant sales, rental revenue, and footfall. The mall also maintained a consistently high occupancy rate.

In 2023, Spring City 66 added 8 new beauty and cosmetics brands and oversaw multiple shop upgrades among sub-luxury trades, including food & beverage tenants. On display in southwest China for the first time, a “Disney Lotso” exhibition in the spring exceeded expectations to drive up footfall and tenant sales. Over the year, the HOUSE 66 CRM program collaborated with TAG Heuer, Lotus Cars, Tod’s, Garmin, Louis Vuitton, Qeelin, and Chow Tai Fook to boost member loyalty and enhance customer stickiness. Interactive placemaking events like the rose staircase drew high footfall during the summer season.

Heading into 2024, Spring City 66 will add new brands to enhance its luxury shopping experience, upgrade its beauty and sub-luxury offerings, and launch a new VIC lounge and top VIP parking zone. Incoming tenants include Valentino, Max Mara, Thom Browne and Arena Seafood. The mall will further benefit from the opening of new Grand Hyatt Kunming hotel and Grand Hyatt Residences.

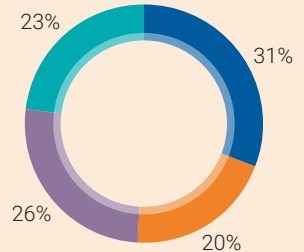
Office Tower

Situated in the heart of Kunming’s central business district, the office tower at Spring City 66 remains a firm favorite among finance, insurance, and professional services firms, accounting for more than 50% of tenants.

Zhongwen Law and PowerChina joined as new tenants, while Datong Insurance Service relocated from a competitor to consolidate their offices at Spring City 66 Office Tower. Occupancy is expected to continue rising, given the tower’s prime location and the Grand Hyatt Kunming’s pending launch.

Retail Segment Distribution (by Leased Floor Area)

- Fashion & Accessories
- Food & Beverage
- Leisure & Entertainment (including Lifestyle)
- Others



Occupancy Rate



Number of shopping mall tenants (at year-end)

312



Hang Lung and Disney China teamed up to hold a “100 Smiles” event at 7 Hang Lung malls across mainland China, including Spring City 66 in Kunming, bringing the enchantment of Disney into the real world and creating a joyful celebration for customers

Heartland 66, Wuhan

Shopping Mall

As the luxury retail destination in central China, tenant sales at Heartland 66 increased despite challenging economic conditions and increasingly price-sensitive consumers. The mall raised rental revenue and footfall amid fierce competition from multiple new malls launched in Wuhan in 2023. First-in-town brands welcomed this year such as Balenciaga Pour Homme, Vivienne Westwood, Alexander Wang, Welldone, S.T. Dupont, TASAKI, GIADA, Leica and LensCrafters.

In 2023, Heartland 66 enhanced its car park lobby and mall façade and launched a valet parking service and shopping card. The mall also celebrated its second anniversary in partnership with Cirque du Soleil (the circus company's first show in the district), bringing new excitement to the city. These were well received by Wuhan customers and attracted strong footfall over the event period.

Moving forward, Heartland 66 will bolster its marketing investment and continue refining its tenant mix, particularly with luxury, fashion and accessories, lifestyle, and food & beverage brands. The mall will also add an exclusive VIC lounge, converting the sunken plaza into an alfresco dining area while launching more exciting exhibitions and happenings during the year.

Office Tower

The abundant office supply in Wuhan, compounded by a softening economy and low tenant stability, has impacted leasing progress at Heartland 66 Office Tower despite a growth of new leased area in 2023. Occupancy incrementally improved owing to recent entrant Amgen and new professional services and TMT tenants.

Conditions will remain challenging in 2024, led by a sluggish economy and companies increasingly looking to save costs.

Our self-service workspace, HANGOUT, gained traction following its opening in March 2023. The multifunctional workspace offers more choices to enhance the customer experience further.



Heartland 66 in Wuhan celebrated its second anniversary in partnership with Cirque du Soleil. The renowned circus company performed its first show in the district, bringing new excitement to the city

New Projects Under Development

The Company has high-end malls, office towers, and hotels currently under development in prime locations across mainland China.



Grand Hyatt Kunming

Under the stewardship of the prestigious Grand Hyatt organization, the luxury hotel in the center of Kunming is set to become a favorite destination for locals and international visitors.

Offering 331 rooms and suites, the hotel – designed to incorporate Yunnan’s unique charm – boasts first-class amenities and restaurants serving locally inspired cuisine.

The landmark development marks the city’s first fully integrated mixed-use project. Effective mid-2024, Spring City 66 will comprise a Grade A office tower, a luxury shopping mall, and the new Grand Hyatt Kunming.

Location

Dongfeng Dong Lu/Beijing Lu, Panlong District, Kunming

Total gross floor area

98,054 square meters*

Expected year of completion

2024

* This includes the total gross floor area of the Grand Hyatt Residences Kunming.



Curio Collection by Hilton, Wuxi

Effective in the first half of 2025, Center 66 will add a Curio Collection by Hilton boutique hotel to its existing 2 Grade A office towers and luxury shopping mall.

Curio Collection by Hilton is a hand-picked selection of luxury hotels globally. Fusing old with new to enrich the customer experience, the design-led hotel will occupy a seven-story tower and three-story heritage building to offer 105 rooms, recreational facilities, and 2 restaurants.

Location

Jiankang Lu, Liangxi District, Wuxi

Total gross floor area

7,165 square meters

Expected year of completion

2025



Westlake 66, Hangzhou

Westlake 66 is evolving into a high-end commercial complex comprising 5 Grade A office towers, a luxury shopping mall, and a prestigious Mandarin Oriental hotel. The project will be completed in phases from 2024 onwards.

The Mandarin Oriental Hangzhou in the city's center is set to become an accommodation and entertainment hub for domestic and international travelers. Due to open its doors in late 2025, the hotel offers about 190 rooms and suites, a dedicated event and bar space, a spa, and 2 restaurants.

The large-scale project exemplifies carbon and environmental data collection in keeping with the Company's commitment to sustainability practices. In addition to running a construction waste recycling pilot program, Westlake 66 is applying low-carbon concrete bricks in the hotel basement and proceeding with a net zero-carbon design proposal for the historical building.

Location

Bai Jing Fang, Gongshu District, Hangzhou

Total gross floor area

194,100 square meters*

Main usage

Retail, office, hotel

Expected year of completion

2024 onwards

* This includes the above-ground area only.



Plaza 66, Shanghai (Pavilion Extension)

To enhance the retail and food & beverage offering for customers, and to create a greater commercial value for the project, Plaza 66 will utilize an existing landscape area to build a retail structure, with a gross floor area of approximately 3,000 square meters. The project is scheduled for completion in 2026.

Location

Nanjing Xi Lu, Jing'an District, Shanghai

Total gross floor area

3,080 square meters

Main usage

Retail

Expected year of completion

2026



Forum 66, Shenyang

Currently under construction, Forum 66 is adding a new luxury mall, and premium residences to enhance its commercial complex. The project is scheduled for completion in stages from 2028 onwards.

The new developments add to an existing luxury mall, Grade A office tower, and the market-leading Conrad Shenyang hotel at Forum 66 in Shenyang.

Location

Qingnian Da Jie, Shenhe District, Shenyang

Total gross floor area

502,660 square meters

Main usage

Retail, office, apartments for sale

Expected year of completion

2028 onwards

HONG KONG PROPERTY LEASING

An upswing in tourists, business travelers, and consumer sentiment charged up both tenant sales and rental revenue in 2023. Flexible leasing strategies appeased increasingly prudent tenants to maintain stable occupancy rates across our Hong Kong portfolio.

Market Landscape

The opening of borders fueled improvements in the local market as Hong Kong settled into its post-pandemic reality.

In an effort to revitalize the economy, the government banked on several campaigns, including “Happy Hong Kong” and “Night Vibes Hong Kong,” to boost public morale and consumption. Our ambitious marketing promotions and newly launched “hello dollar” rewards program further intensified the swelling sales momentum, bumped local consumption, and elevated our customer shopping experiences.

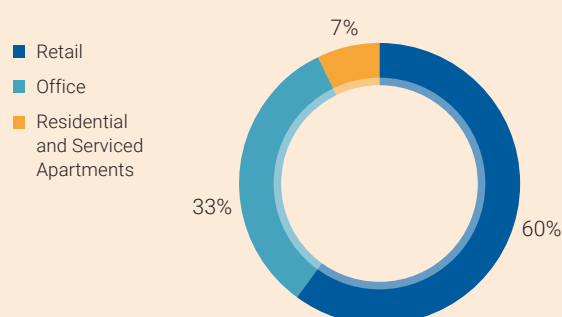
The economy achieved a healthy recovery in 2023, particularly in the retail market.

Business Overview

The local business environment continues to recover gradually following the release of travel restrictions between Hong Kong and mainland China. While Hong Kong has enduring strengths as a global financial center, the market faces increased competition as a destination for tourists, investment, and talent from its neighboring cities and regions which impacts performance metrics on all fronts.

Leveraging Hong Kong’s ongoing regeneration, we effectively optimized our tenant mix and “hello Hang Lung Malls Rewards Program” to increase footfall and customer loyalty. Our overall rental revenue increased by 2% year-on-year.

Distribution of Revenue of Our Hong Kong Property Leasing Portfolio in 2023



Hong Kong Property Leasing Continued to Demonstrate Resilience

Tenant Sales



Retail



Office



All occupancy rates stated therein were as of December 31, 2023

Causeway Bay Portfolio

Occupancy rates across the Causeway Bay portfolio remained exemplary following the opening of borders, while retailers were still conservative in expansion plans under the current market condition.

Fashion Walk enhanced its jewelry & watch offering with ARTE Madrid and duplex locations for Oriental Watch Company. The mall expanded its food & beverage selection with first-in-town locations for Gariguette and Eggslut, plus new tenants Mercury Recalls by Lost Stars, Longtail, Casa Cucina & Bar and Hypebeans.

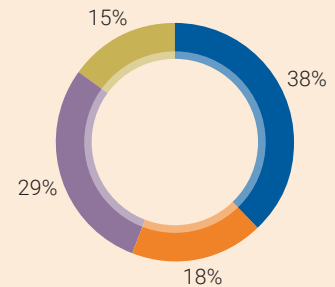
Several well-received tenant collaborations and customer engagements throughout the year further bolstered footfall, tenant sales, and media exposure. Most notably, its "Fashion Walk x Neopets 25th Anniversary Festival", which marked the virtual pet game's first offline activation in Asia Pacific, drew customers with special events and limited-edition merchandise.

The portfolio will continue diversifying its food & beverage offering and refining its tenant mix.

Popular among medical, beauty, and lifestyle tenants, Hang Lung Centre saw its revenue impacted by negative rental reversions, but leasing momentum and occupancy improved by offering flexible leasing terms. The Centre's retail section remains fully occupied.

Retail Segment Distribution (by Leased Floor Area)

- Fashion & Accessories
- Food & Beverage
- Leisure & Entertainment (including Lifestyle)
- Others



Occupancy Rate

Retail
97%

Office
96%

Residential & Serviced Apartments
91%

Number of shopping mall tenants (at year-end)

98



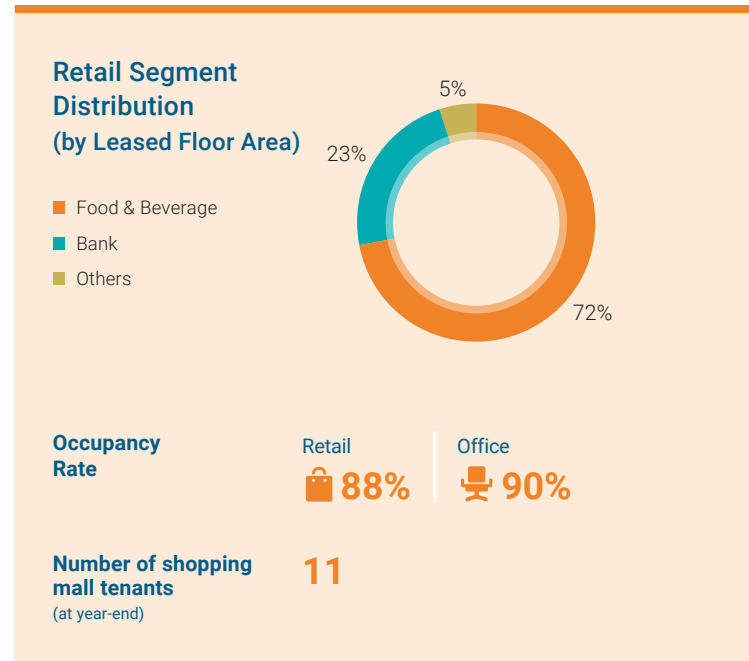
Fashion Walk and 6 Hang Lung malls in Hong Kong launched a series of promotions, including night market discounts and exclusive activities to boost the evening economy

Central Portfolio

The Central portfolio comprises Standard Chartered Bank Building, 1 Duddell Street, Printing House, and Baskerville House. Popular among banking, finance, and professional services tenants, the portfolio improved its occupancy rate despite a softening demand by offering fitted offices and flexible leasing terms.

The retail side saw improvements in tenant sales from a low base in 2022, encouraged by released COVID-19 restrictions and an influx of business travelers. A hike in occupancy and revenue followed changes in the rental structure and the addition of Plaisance by three Michelin-starred chef Mauro Colagreco at 1 Duddell Street – further cementing the portfolio’s reputation as a fine dining hub. The building also completed lobby renovations in 2023.

In 2024, further renovation work, including lift modernization, and a focus on recruiting tenants in the expanding wellness industry will bolster the portfolio’s performance.



Rental structure changes at 1 Duddell Street further cemented the Central portfolio’s reputation as a fine dining hub

Peak Galleria

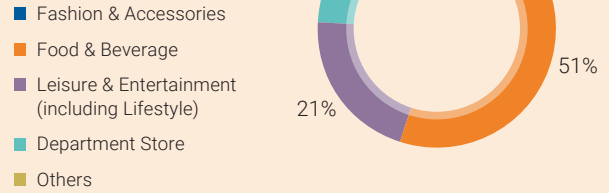
One of Hong Kong's most iconic tourist destinations, the Peak Galleria's footfall surged in 2023 following the opening of borders and an influx of international visitors to the city. Sales revenue improved but fell short of keeping pace with the rise in footfall.

Rental revenue also increased, fueled by positive rental revisions and an escalating rental structure. A spectacular "Fumeancats Winter Wonderland" collaboration further boosted footfall, tenant sales, and media exposure over the festive season.

Occupancy has remained stable throughout most of the year. Smart toilets, auto swing doors for hands-free accessibility, and energy-saving improvements further enhanced the building and customer experience in 2023.

While the market is expected to remain challenging in 2024, Peak Galleria will improve its food & beverage offering, particularly better utilization of its outdoor area, and further refine its retail and experiential tenant mix to attract tourists, local families, and pet owners.

Retail Segment Distribution (by Leased Floor Area)



Occupancy Rate

Retail **81%**

Number of shopping mall tenants (at year-end)

42



Peak Galleria is renowned for being one of the most popular pet-friendly shopping malls in town

Hong Kong East Portfolio

The Hong Kong East portfolio comprises Kornhill Plaza, Kornhill Apartments, and the newly launched 228 Electric Road. Kornhill Plaza serves the daily needs of the surrounding communities, including students and office workers, and maintains a stable occupancy rate.

Following the release of social distancing measures, the mall saw a gradual increase in both footfall and tenant sales despite escalating competition and increasingly price-sensitive households. Rental revenue also climbed.

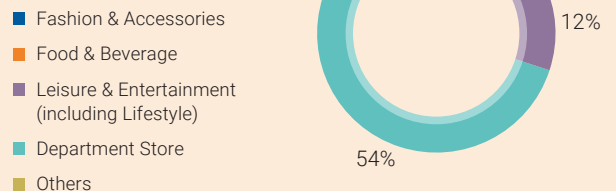
In 2023, Kornhill Plaza introduced new food & beverage outlets, expanded its wellness zone, and oversaw upgrades to several shops. Going forward, the mall will continue refining its tenant mix, particularly food & beverage, and brand mix revamp of AEON STYLE.

The office space predominantly accommodates education centers that returned to full operation in 2023. The occupancy rate improved following the sizable addition of beauty group New Beauty. An oversupply of office space and increasingly prudent tenants continue to squeeze leasing terms and rental income.

Occupancy at 228 Electric Road is expected to climb at a moderate pace, given the growing leasing demand from wellness and rehabilitation tenants in the area.

The opening of borders and subsequent jump in demand from corporate clients and mainland Chinese have bumped Kornhill Apartments' revenue, also fanned by discounts and complimentary gifts exclusive to hello members. The healthy performance is set to continue as the demand for serviced apartments is intensified by returning expats and the government's talent admission scheme. Amenity upgrades and minor renovations are planned to further enhance the customer experience.

Retail Segment Distribution* (by Leased Floor Area)



Occupancy Rate



Number of shopping mall tenants*
117
(at year-end)

*Include Kornhill Plaza only



Newly added to our office portfolio in 2023, 228 Electric Road provides exquisitely designed offices in the vibrant heart of the North Point business district

Mongkok Portfolio

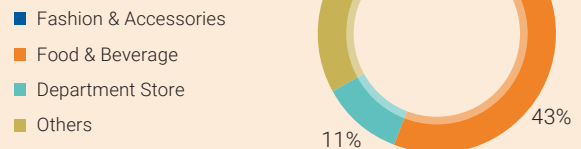
A trendy destination for young adults and tourists, the Mongkok Portfolio includes Gala Place and Grand Plaza. The malls have benefited from the release of social distancing measures and the subsequent influx of tourists with a spike in tenant sales, mainly food & beverage and personal care brands. However, the surge in outbound tourism and changing consumer spending habits have since tempered sales to 2022 levels.

Occupancy and footfall remain stable given the portfolio’s prime location, and rental revenue is on par with the market average despite instances of negative rental reversions. Both malls upgraded their tenant mix with the addition of Matsumoto Kiyoshi at Grand Plaza and the Lung Fung flagship at Gala Place. The portfolio’s “hello Hang Lung Malls Rewards Program” continues to strengthen ties with tenants and bolster customer loyalty.

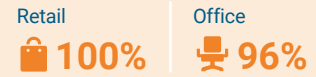
While demand for pure office space remains lackluster, semi-retail tenants picked up after borders opened. Occupancy remained stable, with medical and wellness groups adding or leasing new space to offset departing tenants, most notably Hong Kong Medical Pain Management Association Limited and Quality Healthcare Specialty Centre, which now spans at Gala Place and Grand Plaza office towers respectively.

With ongoing renovations and competitive leasing terms, the portfolio is set to establish its position as a prime wellness hub.

Retail Segment Distribution (by Leased Floor Area)



Occupancy Rate



Number of shopping mall tenants (at year-end)

32



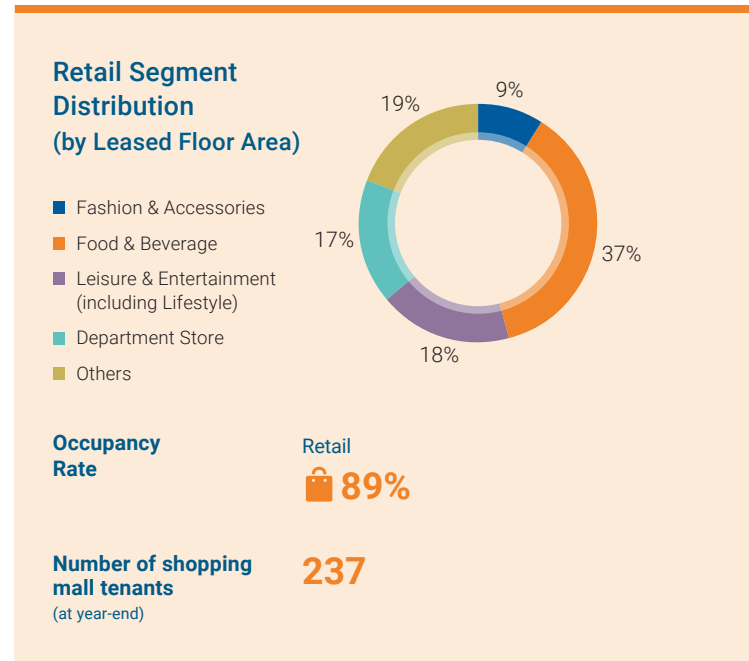
The office tower lobby at Gala Place is enjoying a fresh look after the completion of renovations

Amoy Plaza

Tenant sales at the popular lifestyle mall benefited from the release of social distancing measures and the market correction that followed. However, the concurrent recovery in outbound tourism means local customers are spending their leisure time abroad, adversely affecting tenant sales. The economic squeeze is further intensified by fierce competition and increasingly price-sensitive consumers.

Given the mall's important role in serving the surrounding community, both footfall and rental revenue increased. Targeting families and younger consumers, the mall secured Lam Heung Ling Lemon Tea, Dough Bros Pizza & Doughnuts, and 4 brands from Taste of Asia marking the group's first collaboration with Hang Lung. In addition to strengthening its food & beverage offering, the mall is on track to launch a new local delicacies hub in 2024.

Ongoing alterations and additions are set to evolve Amoy Plaza into a one-stop mall for shopping, dining, and entertainment, particularly following the launch of the East Kowloon Cultural Centre and the arrival of The Aperture residents in 2024.



The popular lifestyle mall Amoy Plaza plays an important role in serving the surrounding community