

OUTLOOK

Moving into 2024, we remain vigilant as uncertainties and challenges continue in the markets in which we operate. Geopolitical concerns persist in the Mainland, resulting in sluggish economic growth and weak currency outlooks, while Hong Kong works to reengineer its international competitiveness and appeal. A relatively high interest rate environment is also expected to maintain in the background. To counter these headwinds, we will leverage our unique positioning and CRM platforms to further enhance our tenant engagement and sustain our revenue growth streak.

In mainland China, we continue cultivating our leasing portfolio to achieve growth alongside strategic marketing campaigns and our portfolio-wide HOUSE 66 CRM program. Following the success of our 2 sister malls in Shanghai, namely Plaza 66 and Grand Gateway 66, the maturation of our luxury malls outside Shanghai will contribute to further growth in years to come. Our sub-luxury malls will also provide solid growth with improved occupancy and footfall. Meanwhile, our office portfolio will welcome its newest sibling, Westlake 66 in Hangzhou, in late 2024 and offer a stable income stream. Conrad Shenyang will be joined by Grand Hyatt Kunming in mid-2024, in time to capture the post-pandemic rise in business and leisure travel.

Hong Kong's overall leasing market outlook for 2024 remains challenging as years of embattlement since 2018 will take time to fully recover. We will continue to focus on enhancing shopping experience and engagement through our "hello Hang Lung Malls Rewards Program" and seek opportunities to optimize our Hong Kong portfolio through AEI and capital recycling exercises.

On the property sale side, subject to market conditions, we will continue with the launch of our premium serviced residences brand on the Mainland, Hang Lung Residences (comprising Heartland Residences in Wuhan, Grand Hyatt Residences in Kunming, and Center Residences in Wuxi). The first batch of units at Heartland Residences in Wuhan and The Aperture in Hong Kong is targeted for handover to buyers in the first half of 2024, at which time the pre-sale revenue will be recognized.