恒隆地產
HANG LUNG PROPERTIES

2021 Interim Results Highlights

July 29, 2021

只選好的 只做對的
We Do It Well

Interim Dividend Increase

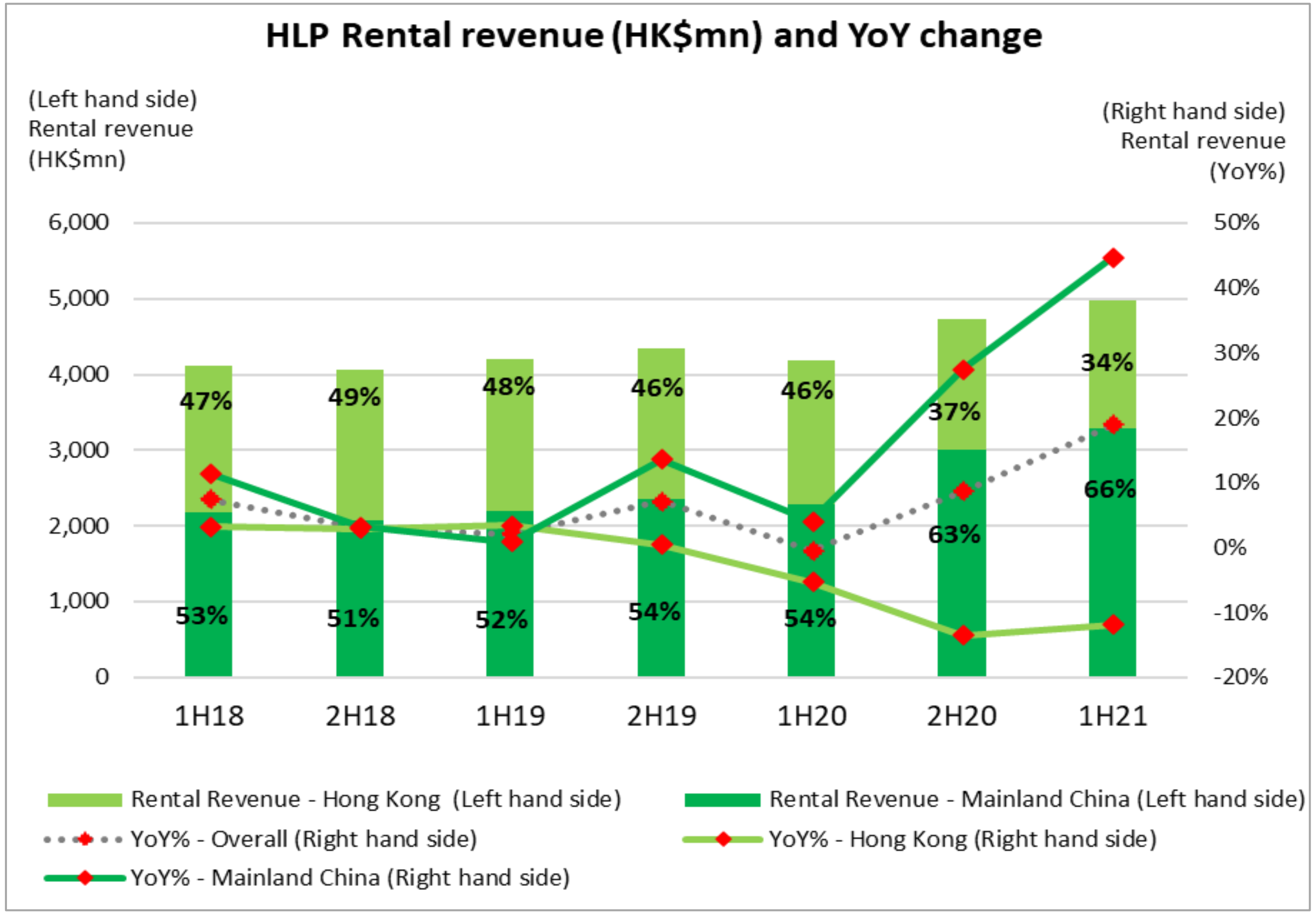
Hang Lung Properties

- 1H21 operating profit **+19% YoY**, or +13% from 1H19
- 1H21 underlying EPS **+11% YoY**
- FY21 Interim DPS **+6% YoY** to HK18 cents

Hang Lung Group

- 1H21 operating profit **+19% YoY**, or +12% from 1H19
- 1H21 underlying EPS **+12% YoY**
- FY21 Interim DPS **+11% YoY** to HK21 cents

Record interim rental revenue; Mainland China contributes 2/3 of total

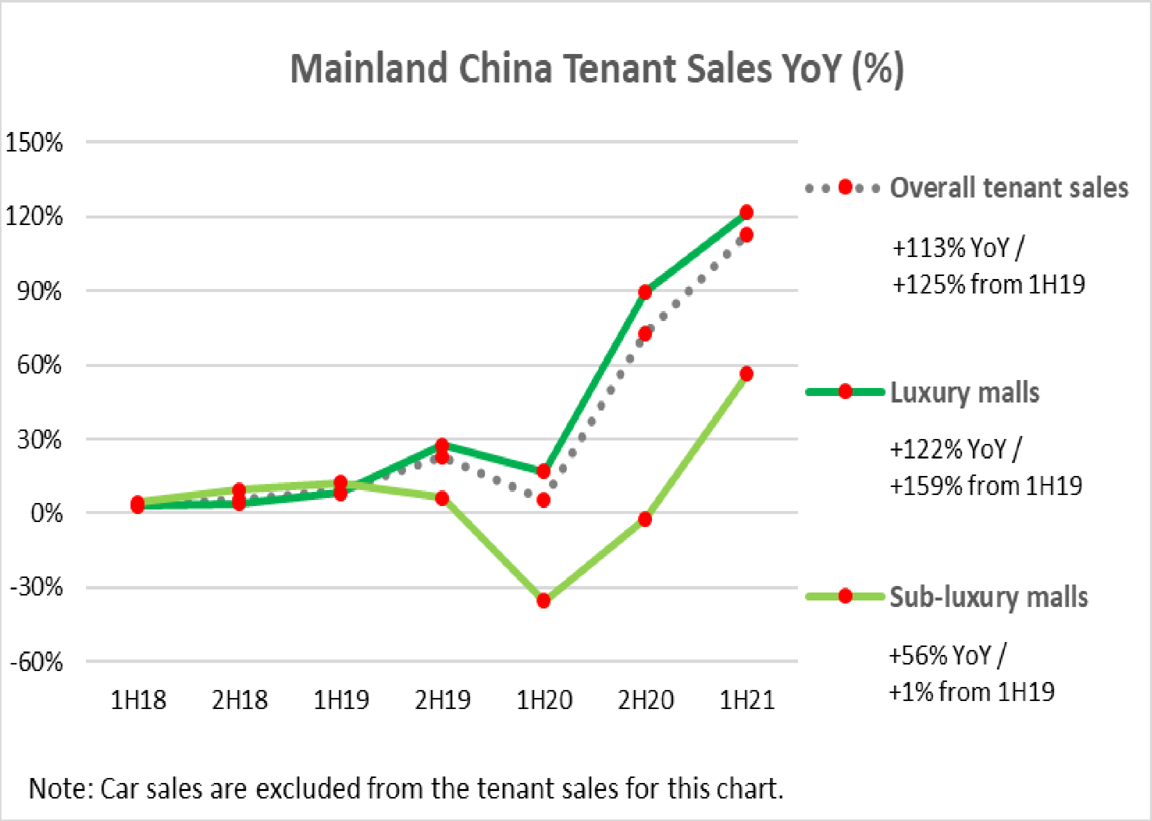


- Strong momentum of 1H21 overall rental revenue growth at **+19% YoY** and Mainland China growth at **+45% YoY**
- Mainland China retail rental revenue (in RMB) **+38% YoY** / + 51% from 1H19, driven by ongoing strength in luxury segment, and recovery in sub-luxury segment.
- Mainland China office rental revenue (in RMB) **+12% YoY** / +14% from 1H19, a stable and sustainable revenue stream
- Hong Kong rental business has seen signs of stabilization, at **-12% YoY**, and accounts for 34% of total rental revenue in 1H21

只選好的 只做對的
We Do It Well

恒隆地產
HANG LUNG PROPERTIES

Tenant sales: From Strength To Strength at luxury; sub-luxury recovering

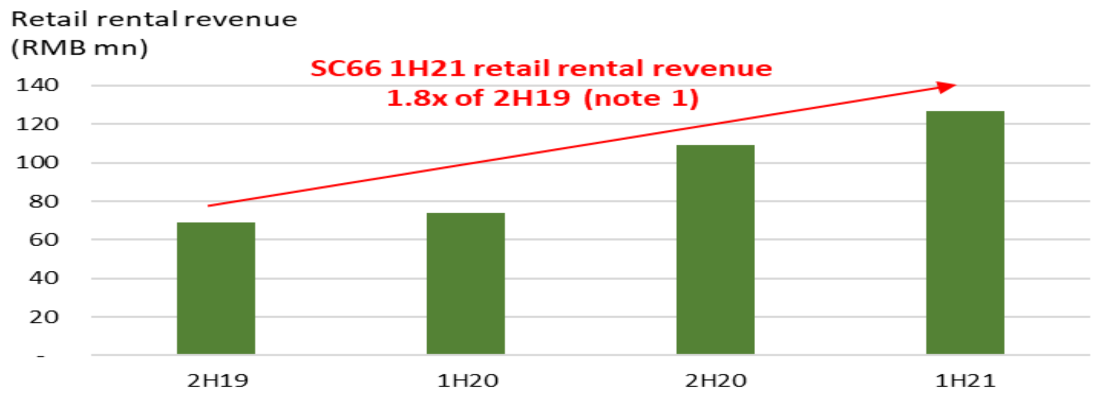


- Seven luxury malls
  - Tenant sales growth **further accelerated**, and more than doubled from 1H20 or 1H19
  - **Luxury content**, **leadership position** and **CRM** drove the strength
  - **Olympia 66** upgraded to luxury mall, with its successful transformation upon higher luxury contents and experience
- Three sub-luxury malls: Palace 66, Parc 66, Riverside 66
  - Strengths (in terms of tenant sales growth, occupancy cost decline, rental revenue) seen across the three sub-luxury malls
  - Positive rental reversion seen at Palace 66 and Parc 66
  - Occupancy rate improved at Palace 66 and Parc 66

只選好的 只做對的
We Do It Well
恒隆地產
HANG LUNG PROPERTIES

Heartland 66 opening and outlook: Repeating the success at Spring City 66

	Spring City 66	Heartland 66
Total GFA (sq. f.)	6.7M	7.5M
- Office	1.9M	1.6M
- Mall	**1.7M**	**1.9M**
- Apartments	1.1M	1.4M
Car parks and others	2.0M	2.6M
# of car parks	1,629	2,800
Mall Opening date	Aug-19	Mar-21
Committed rate as at opening	88%	85%
Key brands as at opening	Gucci, Maje, Sandro, Uniqlo, Swarovski, HeyTea	Montblanc, Sephora, Li-Ning, Darry Ring, Venchi, Nespresso, Starbucks Reserve
Key brands by 4 months of opening	Jimmy Choo, IWC, Blancpain, Qeelin, Tory Burch, Chanel Beauty, Dior Beauty, Givenchy	Piaget, IWC, Omega, Montblanc, Bottega Veneta, Saint Laurent, Balenciaga, DVF
Break even point (at operating profit level - Mall only)	**The 5th month**	**The 3rd month**



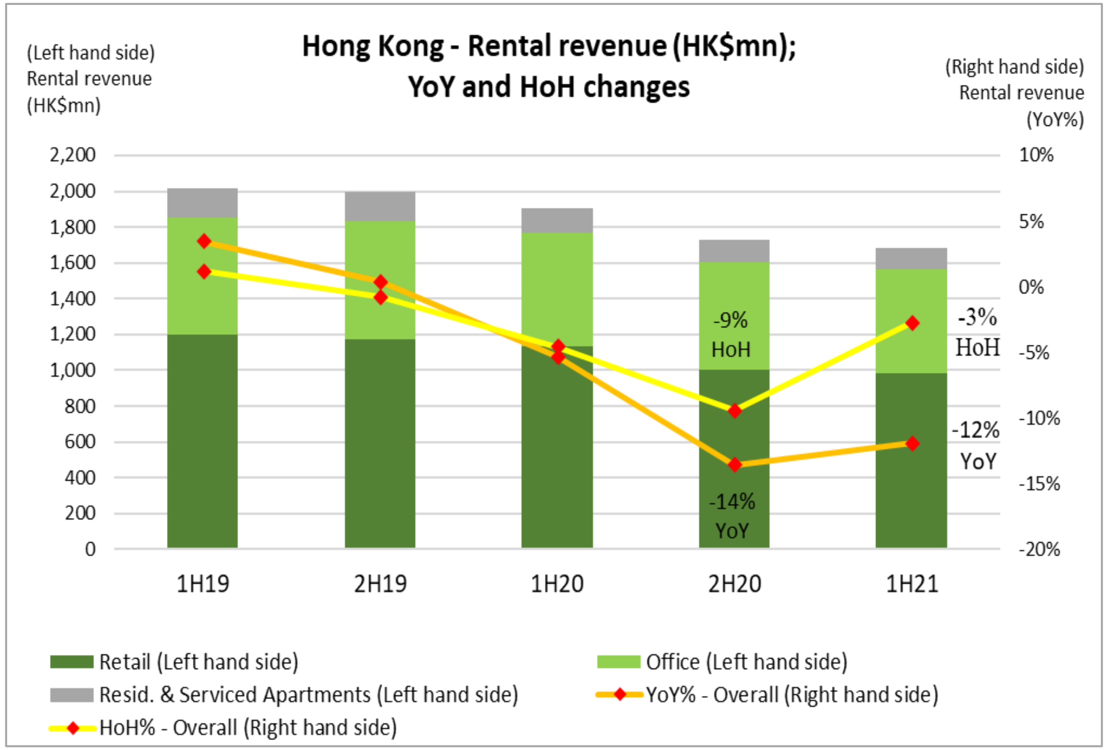
Note 1: SC66 mall was opened on Aug 23, 2019. Rental revenue of RMB49mn was recorded during Aug 23-Dec 31, 2019. In this chart, it was extrapolated to RMB69mn for full-period comparison

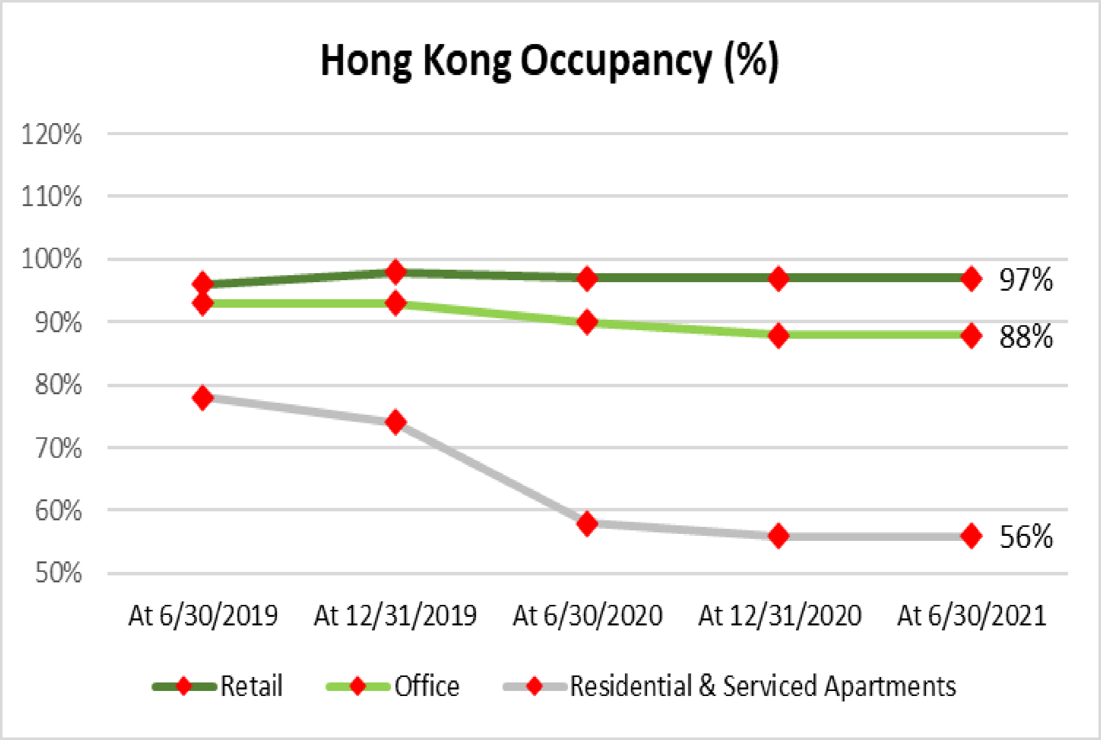
- SC66: **a strong proposition** of success in HLP's new mall opening
  - Within 22 months since opening, SC66 generated the 2nd highest tenant sales among HLP's malls outside Shanghai
  - low occupancy cost, positive tenant feedback, strong demand from new and existing tenants at SC66 provide a strong backdrop for positive rental growth
  - Despite only 22 months since opening, SC66 generates a decent margin
- Heartland 66: to be **an even stronger proposition**
  - Heartland 66 has bigger mall GFA & LFA than SC66
  - Strong demand from tenants before and since opening
  - Higher unit rent as at time of opening than SC66
  - More streamlined execution

Hong Kong: signs of stabilization

- 1H21 **Rental revenue** -12% YoY
- Rental relief amount greatly reduced

- **Occupancy**: retail stable at 97% (Dec-20: 97%), pro-active refinement of tenant mix and introduction of new tenants





只選好的 只做對的
We Do It Well
恒 隆 地 產
HANG LUNG PROPERTIES

Disclaimer

1. All information and data are provided for information purposes only. All opinions included herein are based on information available as of the date hereof and are subject to change without notice. There is no guarantee, representation or warranty provided for accuracy, timeliness or completeness for the information contained in this presentation.

   Neither Hang Lung Properties Limited, Hang Lung Group Limited or any of their respective subsidiaries or affiliates, nor any of its or their directors, officers or any other persons, accepts any responsibility or liability whatsoever from any actions or claims arising from any use or interpretation of the information contained herein.

   You may not distribute, reproduce, modify or otherwise use the content of the document for public or commercial use without prior permission of Hang Lung Properties Limited and Hang Lung Group Limited.

2. The figures and financial information for the six months ended June 30, 2021 included in this presentation are not the statutory consolidated financial statements. The full-year statutory financial information of preceding financial years quoted in this presentation are derived from statutory annual financial statements for that relevant financial years, which have been delivered to the Registrar of Companies in accordance with the prevailing Companies Ordinance and are reported on by the auditor with relevant auditor’s reports without qualification or modification.