



2025
Interim Report

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Nelson W.L. Yuen*

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Anita Y.M. Fung *BBS, JP**

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* *Independent Non-Executive Director*

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Philip N.L. Chen

Andrew K.C. Chan *BBS, JP*

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AUDITOR

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*Public Interest Entity Auditor registered in accordance with
the Accounting and Financial Reporting Council Ordinance*

CHAIR'S LETTER TO SHAREHOLDERS

Dear Stakeholders,

Thank you for joining us for another half-year on our journey.

Between January and June 2025, we have seen clear signs of stabilization across our markets, with improvements in both retail sales and rentals, and even modest growth in May and June. This is a welcome salve after 2024's drop, which was our first mainland China rental decline after 24 continuous years of growth. The fact is, as early as the end of 2024, we felt the atmosphere in our malls improving, starting with foot traffic, although at the time it was not yet reflected in sales figures. It is, therefore, with some relief that I can report that sales and rental revenues are finally beginning to catch up.

While I hope that the market will continue to improve, I remain cautious. The team will have to work especially hard in the second half of the year to try to eke out some growth, and there are still multiple areas of concern. Much of what is reported in the media is, of course, exaggerated, but the overall trends they highlight are mostly true. Some concerns of particular interest to Hang Lung are the “involution”-driven price wars (which is extreme competition that covers more than just products and services, but also employment, schooling, manufacturing, and more), the continued property market slump, pressure on luxury sales, youth unemployment, and the broader risk of deflation.

These concerns are partially offset by the fact that Chinese households, on average, still maintain a relatively high level of wealth. Already-high savings rates have been significantly elevated for at least five years, driven in part by COVID and also as a way to prepare for a rainy day. As such, many families have even more cash to spend. There remains both a desire and the ability to spend, but not in the same ways as before. Spending patterns are shifting, which has created a “new consumption” paradigm in China, focusing on emotional value as well as financial value.

In addition to trades such as travel and hospitality, the three widely acknowledged champions of this new consumption wave are Laopu Gold (gold and gold jewelry), POP MART (collectible LABUBU toys), and Mixue (milk tea and ice cream). Their success has been extensively researched (some of the best write-ups are by the Baiguan newsletter, which you can find on Substack), and their outstanding performance in an otherwise weak market has made them instant case studies. As a landlord, we have introduced these brands to our malls when it was appropriate and complementary. We have actually been a landlord to POP MART since 2014, when they opened at Riverside 66 in Tianjin upon its launch. Because of the strength of our relationship and the standing of our malls, POP MART recently decided to open their inaugural jewelry store, named POPOP, at Grand Gateway 66 (“GG66”). At the opening, one of the co-founders even showed me a photo that he had taken with our Honorary Chair back in 2014!

What is important to note is that each of these brands has built its success almost exclusively through physical stores rather than e-commerce. Besides these three well-known champions, many brands are moving from online “pure play” into offline stores, driven by the significantly greater cost of acquiring new customers online (“CAC”), high rates of product returns — often well over 80% on fashion items — and squeezed margins due to competition and platform fees. In just six months, I have personally fielded no fewer than three prospective online-only brands that are urgently looking for offline locations. This proves that offline, in-person retail is as important and influential as ever. In such a polarized market, it underscores the need for Hang Lung to be one of the very top landlords in each of our cities — a feature that has always been a priority for us.

Another key development for Hang Lung is our updated strategy, which Weber (our CEO) and I call “Hang Lung V.3,” or “HL V.3” for short. You may think of “HL V.1” as our launch and early operations with diverse businesses in Hong Kong, and “HL V.2” as our expansion into mainland China, focusing on mixed-use development. HL V.3, our next phase, represents our renewed focus on strengthening our positions in the cities in which we already own assets, through management contracts, additional construction, and asset enhancements. Many observers would likely consider this an addition of “asset-light” projects to our portfolio, but I want to stress the difference in our case: these are *strategic reinvestments in existing assets* that improve scale, visibility, and accessibility, rather than simply hanging as many of our logos on other people’s assets as possible. We are not merely pursuing opportunities to increase our footprint and revenue; we are being highly selective in our choice of projects, all of which are either adjoining, within, or in extremely close proximity to our existing assets. In fact, in some cases, it is not asset “light” at all.

Since 1992, Hang Lung has been making large, asset-heavy greenfield investments in mainland China. By purchasing land, building assets, and managing those assets, we have ensured the capture of both operational returns and capital appreciation, while retaining maximum autonomy and flexibility. That strategy served us well for over 30 years, proven by 24 consecutive years of mainland Chinese rental revenue growth up until 2023. However, for many reasons, the time is now ripe for us to embrace a more asset-efficient approach, which means strengthening our existing positions with accretive, strategic retail management contracts in some markets, and doubling down with additional capital investment in others.

Looking at the four projects that we have undertaken or announced to date, I will explain how these types of extensions add outsized value to our existing assets.

Although we are only highlighting HL V.3 now, this has, in fact, been occurring gradually since 2017, when we agreed to take over space owned by our JV partner in GG66 in Shanghai. While planning the renovation of GG66, Hang Lung decided to rent the portion of the GG66 North Building owned by our JV partners. This was an elegant solution to facilitate our overall mall renovation and to consolidate our leasing and management activities. It also produced additional income in the form of better leasing rates and a seamless new image throughout the mall.

In 2023, we began planning our Plaza 66 Pavilion project in Shanghai, which is a new building in the north-west corner of the existing site and connects to the mall via a basement tunnel. Slated for completion in 2026, the Pavilion will expand our leasable area by over 13%, which was only made possible by the increased flexibility of the government as a direct result of the sluggish real estate market and slowing economy. Although this is a capital-intensive project, its manageable scale allows us to reinforce our dominant position in the market without significantly increasing our overheads. Basically, we can operate the additional space without incurring any extra costs. It is also worth noting that there is virtually no additional project or operational risk, given the stellar track record of Plaza 66. When combined with the increased defensibility that the Pavilion brings to the broader project, this is truly a “no-brainer” for management and investors alike.

Last year, we embarked on our first genuinely independent asset-light expansion project in Kunming, adjacent to Spring City 66. There, we rented a series of street shops directly across the road from our project, in order to upgrade the retail and street environments. This not only improved the attractiveness and cleanliness of our immediate surroundings, but has also yielded additional revenue and profitability — both directly from the operations, and indirectly from the enhanced appeal to consumers. Both geographically and commercially, this increases our mass and, therefore, our defensibility.

The latest planned project was announced in a public filing by our partner three weeks before the date of this letter: a partnership in Hangzhou between Hang Lung and the Baida Group, which owns the department store abutting Westlake 66. The addition of Baida's property makes us dramatically more competitive by improving three key metrics for Westlake 66, namely expanding our leasable floor area by approximately 40%, increasing our street frontage by over 200%, and enhancing customer connectivity — all of which will be achieved with only the slightest increase of expenditures. The expansion strengthens my confidence in our competitive position in Hangzhou's highly lucrative — and highly competitive — market.

When considered individually, none of these projects represents a particularly large investment. However, when taken together — and especially if we emulate these in the future — this marks a critical juncture in Hang Lung's strategy. We have evolved from making purely capital-intensive investments to building a diverse portfolio of both asset-heavy and asset-light projects across multiple cities. We expect these new projects to deliver substantial impact on our return on capital and return on assets over a much shorter time frame than our investors are used to, thanks to the relatively small amount of construction and renovations needed. I look forward to building this new revenue stream and sharing the rewards with you before long.

Adriel Chan

Chair

Hong Kong, July 30, 2025

FINANCIAL HIGHLIGHTS

in HK\$ Million (unless otherwise stated)

RESULTS

	For the six months ended June 30							
	2025				2024			
	Property Leasing	Property Sales	Hotels	Total	Property Leasing	Property Sales	Hotels	Total
Revenue	4,678	161	129	4,968	4,816	1,228	70	6,114
– Mainland China	3,190	10	129	3,329	3,268	25	70	3,363
– Hong Kong	1,488	151	–	1,639	1,548	1,203	–	2,751
Operating profit/(loss)	3,346	(57)	(34)	3,255	3,444	(11)	(3)	3,430
– Mainland China	2,176	(26)	(34)	2,116	2,227	(20)	(3)	2,204
– Hong Kong	1,170	(31)	–	1,139	1,217	9	–	1,226
Underlying net profit/(loss) attributable to shareholders	1,651	(30)	(34)	1,587	1,760	(22)	(3)	1,735
Net decrease in fair value of properties attributable to shareholders	(675)	–	–	(675)	(674)	–	–	(674)
Net profit/(loss) attributable to shareholders	976	(30)	(34)	912	1,086	(22)	(3)	1,061

	At June 30, 2025	At December 31, 2024
Shareholders' equity	133,128	131,587
Net assets attributable to shareholders per share (HK\$)	\$26.6	\$27.5

Earnings and Dividend (HK\$)

	2025	2024
Earnings per share		
– Based on underlying net profit attributable to shareholders	\$0.33	\$0.38
– Based on net profit attributable to shareholders	\$0.19	\$0.23
Interim dividend per share	\$0.12	\$0.12

Financial Ratios

	At June 30, 2025	At December 31, 2024
Net debt to equity ratio	33.5%	33.4%
Debt to equity ratio	38.3%	40.7%

RESULTS HIGHLIGHTS

The first half of 2025 was marked by a challenging operating environment for the real estate sectors in both Hong Kong and mainland China. Persistently weak economic sentiment in mainland China, along with shifting consumption patterns among Hong Kong residents, continued to influence overall market conditions. That said, Hang Lung Properties Limited (the “Company”) and its subsidiaries (collectively known as “Hang Lung Properties”) maintained strong fundamentals in occupancy and operational execution, which helped offset the impact of these external pressures. Core property leasing revenue was resilient despite Renminbi (RMB) being depreciated in the same period. Occupancy levels across both Hong Kong and mainland China remained high, supported by ongoing tenant mix optimization.

In mainland China, despite softened consumer sentiment affecting sales rent, our malls continued to perform steadily, revenue remained stable by maintaining occupancy above 90% in most of our malls.

In Hong Kong, proactive tenant retention measures helped achieve a stable occupancy rate in retail and office portfolio. The residential and serviced apartments segment benefited from the government’s talent admission regime, with occupancy and revenue increasing by nine points and 11% period-on-period, respectively.

In the first half of 2025, Hang Lung Properties recorded total revenue of HK\$4,968 million (2024: HK\$6,114 million). Overall operating profit was HK\$3,255 million (2024: HK\$3,430 million). Revenue and operating profit from property leasing were HK\$4,678 million (2024: HK\$4,816 million) and HK\$3,346 million (2024: HK\$3,444 million), respectively. Property sales revenue recorded HK\$161 million (2024: HK\$1,228 million). Hotel revenue reported HK\$129 million (2024: HK\$70 million).

The Company has continued to make investments that are expected to support long-term development, such as Phase Two development of Center 66 in Wuxi, Westlake 66 in Hangzhou, Plaza 66’s Pavilion Extension in Shanghai, the launch of the NET•WORK coworking space in Hong Kong, among others. To commemorate Hang Lung’s 65th anniversary, a series of nationwide events and marketing campaigns have generated significant foot traffic, and engagement with our customers. These initiatives are expected to improve sales and strengthen brand loyalty in the long run.

CONSOLIDATED RESULTS

The total revenue of Hang Lung Properties for the six months ended June 30, 2025 was HK\$4,968 million, representing a 19% decrease against the same period last year, primarily due to decrease in contributions from property sales by 87% to HK\$161 million. Overall operating profit decreased by 5% to HK\$3,255 million. Revenue and operating profit from property leasing both decreased by 3% to HK\$4,678 million and HK\$3,346 million, respectively, as consumption slowdown and the subdued office demand in both Hong Kong and mainland China persisted into 2025. Due to expansion of our hotel portfolio, revenue rose by 84% to HK\$129 million while operating loss after depreciation increased to HK\$34 million.

Underlying net profit attributable to shareholders decreased by 9% to HK\$1,587 million, mainly due to lower operating leasing profits and higher finance costs. Underlying earnings per share fell correspondingly to HK\$0.33.

Hang Lung Properties reported a net profit attributable to shareholders of HK\$912 million (2024: HK\$1,061 million) when including a net revaluation loss on properties attributable to shareholders of HK\$675 million (2024: HK\$674 million). The corresponding earnings per share was HK\$0.19 (2024: HK\$0.23).

Revenue and Operating Profit for the Six Months Ended June 30

	Revenue			Operating Profit/(Loss)		
	2025 HK\$ Million	2024 HK\$ Million	Change	2025 HK\$ Million	2024 HK\$ Million	Change
Property Leasing	4,678	4,816	-3%	3,346	3,444	-3%
Mainland China	3,190	3,268	-2%	2,176	2,227	-2%
Hong Kong	1,488	1,548	-4%	1,170	1,217	-4%
Property Sales	161	1,228	-87%	(57)	(11)	-418%
Mainland China	10	25	-60%	(26)	(20)	-30%
Hong Kong	151	1,203	-87%	(31)	9	N/A
Hotels (Mainland China)	129	70	84%	(34)	(3)	N/A
Total	4,968	6,114	-19%	3,255	3,430	-5%

DIVIDEND

The board of directors (the “Board”) of the Company has declared an interim dividend of HK12 cents per share for 2025 (2024: HK12 cents) to shareholders whose names are listed on the register of members of the Company on August 15, 2025.

The Board proposes that eligible shareholders be given the option to receive the interim dividend in cash, or in the form of new shares in lieu of cash in respect of part or all of such dividend (the “Scrip Dividend Arrangement”). The Scrip Dividend Arrangement is conditional upon The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to the Scrip Dividend Arrangement.

A circular containing details of the Scrip Dividend Arrangement and the form of election for scrip dividend have been despatched to the eligible shareholders on August 25, 2025. It is expected that the interim dividend warrants and the share certificates to be issued under the Scrip Dividend Arrangement will be despatched to the shareholders on or about September 24, 2025.

PROPERTY LEASING

For the six months ended June 30, 2025, overall rental revenue decreased by 3% to HK\$4,678 million. Despite a complex market environment, Hang Lung Properties remains focused on long-term value creation and strategic growth.

In mainland China, the high-end retail market faced challenges such as economic uncertainty, changing consumer behaviors, and competitive pressures from both domestic and international markets. The United States’ (U.S.) tactics on trade tariffs created business uncertainties which may result in slowdown in economic growth. Despite this backdrop, our mall portfolio demonstrated resilience following successful implementation of effective marketing effort and operational strategies. The office market remains in a prolonged recovery phase due to cautious business sentiment and continued pressure from high supply volumes. As a result, rental revenue of Mainland portfolio declined by 1% in RMB terms and 2% in HKD terms after considering the RMB depreciation against the same period last year.

The Chinese Central Government has ramped up its stimulus policies including refining its instant tax refund policy with a move to boost consumption and inbound tourism. We are strategically aligning our business operations to capitalize on these supportive measures. Reacting to the government's initiatives and to celebrate our Hang Lung's 65th anniversary, a series of nationwide events and marketing campaigns together with offerings and promotions via HOUSE 66 — our customer relationship management (CRM) program — have been launched since early 2025.

Thanks to our leasing team's strategic efforts, overall rental revenue from our mall portfolio remained stable while tenant sales dropped by 4% in RMB terms period-on-period. Overall occupancy level at the end of the period edged up one point to 94% and remained high after ongoing strategic refinement in tenant mix. Office portfolio reported a 5% decline in revenue period-on-period, mainly driven by oversupply in Shanghai Grade A office markets and competitors' aggressive strategies for maintaining occupancy. Despite these market pressures, we successfully maintained high property management service standards and actively worked to retain our high-quality tenants.

Hong Kong's retail market experienced a sustained downturn in the first half of 2025 as the Chinese tourists' and local residents' evolving consumption patterns continued to curtail retail sales performance. Although the numbers of both Mainland and overseas travelers observed steady growth, partly driven by the mega event economy, visitor spending has remained subdued. As a result, our Hong Kong portfolio recorded a 4% decrease in rental revenue, with the lower contribution from retail leasing partially compensated by improvement in the residential and serviced apartments segment.

On the positive side, the increased tourist foot traffic stabilized the food and beverage sector which helped mitigate the effects of reduced spendings. Retail portfolio's overall rental revenue and tenant sales retreated by 7% and 2%, respectively. We managed to maintain a high level of occupancy, bolstered by our strategic tenant mix optimization and targeted promotional campaigns through our "hello Hang Lung Malls Rewards Program". The office market stayed challenging, with reduced demand for prime office space and an ample supply of offices resulting in declining rents and high vacancies. Our office segment recorded a 1% drop in revenue during the period. Nevertheless, our proactive tenant retention strategies have helped maintain an overall stable occupancy level, which stood at 87% at the end of the period compared to 89% a year earlier.

Mainland China¹

Property Leasing – Mainland Portfolio for the Six Months Ended June 30

	Revenue (RMB Million)		
	2025	2024	Change
Malls	2,412	2,414	–
Offices	528	556	-5%
Serviced Apartments	1	–	N/A
Total	2,941	2,970	-1%
<i>Total in HK\$ Million equivalent</i>	3,190	3,268	-2%

Overall rental revenue and operating profit in RMB terms both declined by 1%. The depreciation of the RMB during the period inflated these decreases to 2% in HKD terms. Amid the increase in outbound travel and softened consumer sentiment in mainland China, our malls maintained an overall high occupancy level and generated a stable revenue. Our premium office portfolio fell by 5%, primarily due to the reduced demand for office spaces within a highly competitive market.

- *Malls*

Overall revenue of our mall portfolio remained stable in the first half of 2025. We strategically launched an array of marketing initiatives tailored to distinct customers' preferences to stimulate consumption and boost traffic so as to counteract the muted performance in high-end sales caused by customers' cautious spending patterns. Most malls experienced period-on-period revenue growth except for Riverside 66 in Tianjin, Heartland 66 in Wuhan and Forum 66 in Shenyang owing primarily to lower sales rents as peers implemented aggressive price and promotion strategies. However, overall occupancy remained high by the end of the period.

¹ Percentage changes pertaining to the Mainland portfolio are expressed in RMB terms unless otherwise specified.

In response to the evolving retail landscape and to better align with consumer behavior changes, we have been significantly enhancing the brands mix across all our malls, adhering to our customer-centric operating strategy. Consequently, we are refining the presentation of our Mainland portfolio by discontinuing the luxury and sub-luxury designations for malls starting from 2025.

Property Leasing – Mainland Mall Portfolio for the Six Months Ended June 30

Name of Mall and City	Revenue			Period-end Occupancy Rate		
	(RMB Million)			June	December	June
	2025	2024	Change	2025	2024	2024
Plaza 66, Shanghai	822	819	–	98%	99%	100%
Grand Gateway 66, Shanghai	597	589	1%	99%	99%	97%
Center 66, Wuxi	245	226	8%	96%	99%	99%
Spring City 66, Kunming	162	152	7%	99%	98%	98%
Olympia 66, Dalian	159	144	10%	94%	94%	93%
Parc 66, Jinan	159	158	1%	94%	93%	92%
Palace 66, Shenyang	83	80	4%	96%	94%	92%
Riverside 66, Tianjin	82	84	-2%	94%	95%	94%
Heartland 66, Wuhan	76	119	-36%	88%	85%	83%
Forum 66, Shenyang	27	43	-37%	86%	87%	82%
Total	2,412	2,414	–			

Our flagship **Plaza 66** mall in Shanghai maintained a high occupancy rate of 98% at the end of the period while revenue remained stable. Tenant sales fell by 8% as our customers demonstrated more restrained high-end spending. To strengthen its standing as Shanghai's top lifestyle landmark, the mall hosted the global premiere of the renowned Japanese artist Takashi Murakami's Ohana Hatake Immersive Garden Experience, Goyard's Le Jardin Garden, as well as various events curated by over 100 international brands, which attracted significant media coverage and foot traffic.

Also in Shanghai, the **Grand Gateway 66** mall reported a growth in revenue and tenant sales of 1% and 10%, respectively. To boost foot traffic and tenant sales, we introduced several first-to-market stores and various marketing campaigns over the period, including an event collaboration with the globally popular IP “ButterBear” that gained significant traction on social media and strengthened the mall’s brand equity among youngsters and families. The occupancy rate remained high at 99% at the end of the period.

The **Center 66** mall in Wuxi achieved revenue growth of 8% despite a 4% drop in tenant sales. Our marketing events “Wiggle We Go” for Hang Lung’s 65th anniversary attracted widespread attention on social media and increased foot traffic, especially among youngsters. Occupancy stood at 96% at the end of the period.

In Kunming, the **Spring City 66** mall achieved revenue growth of 7% despite a 1% decline in tenant sales. The occupancy rate grew one point to 99% by the end of the period. Our exclusive VIC lounge, The Lounge, opened in November 2024, providing exclusive high-end shopping experiences to HOUSE 66 members. The opening of Grand Hyatt Kunming in August 2024, along with the newly opened bridge linking our mall to the hotel in March 2025, is expected to further solidify the mall’s status as a premier retail and lifestyle destination in Southwestern China.

Our signature development in Dalian, **Olympia 66**, achieved 10% and 13% growth in revenue and tenant sales, respectively. The occupancy rate stood at 94% at the end of the period. This stable growth was driven by ongoing enhancements in brand and trade-mix upgrades across categories and floors. As part of 65th anniversary celebrations with five other malls, Olympia 66’s “Wiggle We Go” campaign received positive customer feedback and attracted significant foot traffic.

Revenue and tenant sales of **Parc 66** in Jinan both rose by 1%. The occupancy rate edged up two points to 94% at the end of the period. The remaining phase of the Asset Enhancement Initiative (AEI) was completed in January 2025, improving customer flow and introducing a wider range of brands and exclusive stores. These enhancements have strengthened the mall’s appeal to visitors and are expected to support long-term profitability.

Revenue and tenant sales of **Palace 66** in Shenyang increased by 4% and 10%, respectively. Our renovated food court and the addition of diverse new food and beverage concepts are attracting a wider range of customers and increasing foot traffic. Effective marketing initiatives during the Golden Week of May further enhanced customer spending and foot traffic. Occupancy rate grew four points to 96% by the end of the period.

Riverside 66 in Tianjin recorded a decline in revenue of 2% while tenant sales increased by 2%. The occupancy rate remained at 94%. We successfully implemented a variety of marketing programs, such as Valentine's Day and the "Wiggle We Go" campaigns. To boost foot traffic and customer loyalty, we have continued to refine the mall's tenant mix and proactively enhance our HOUSE 66 CRM program.

Due to intense promotion competition in the city, revenue and tenant sales of the **Heartland 66** mall in Wuhan declined by 36% and 31%, respectively. We continue to strengthen our market position and maintain consumer loyalty through trade mix enhancement, our HOUSE 66 CRM program, and prestige services in the VIC lounge, The Lounge. We also executed proactive marketing to differentiate ourselves in the highly competitive landscape. Occupancy rate grew five points to 88% at the end of the period.

Revenue and tenant sales at the **Forum 66** mall in Shenyang fell by 37% and 58%, respectively. At the end of the period, occupancy rate stood at 86%. The mall has been undergoing a strategic transitioning in 2025, which includes enriching the mall's selection of lifestyle and trendy fashion and sports brands, as well as expanding food and beverage options.

- *Offices*

The office leasing market remained sluggish amid economic uncertainties. Overall revenue dropped by 5% to RMB528 million compared to the previous period, mainly caused by both lower occupancy rates and negative rental reversions. The Grade A office towers at Plaza 66 in Shanghai accounted for 82% of the total revenue reduction as tenant relocations and shifting demand patterns, fueled by cost-driven upgrades, are actively reshaping the city's Grade A office market. Despite these market pressures, we successfully maintained high property management service standards and actively worked to retain our high-quality tenants.

Property Leasing – Mainland Office Portfolio for the Six Months Ended June 30

Name of Office and City	Revenue			Period-end Occupancy Rate		
	(RMB Million)			June	December	June
	2025	2024	Change	2025	2024	2024
Plaza 66, Shanghai	289	312	-7%	82%	87%	88%
Spring City 66, Kunming	67	70	-4%	84%	86%	87%
Forum 66, Shenyang	60	61	-2%	89%	90%	90%
Center 66, Wuxi	60	60	–	83%	88%	89%
Heartland 66, Wuhan	52	53	-2%	63%	66%	68%
Total	528	556	-5%			

Our two Grade A office towers at **Plaza 66** in Shanghai recorded a decline in revenue of 7%, due to drop in unit rent as local market conditions remained soft amid continued challenges. Occupancy rate decreased by six points to 82% by the end of the period. Both excessive supply and pressures on market rent in Shanghai continued to be a challenge over the reporting period.

The office tower at **Spring City 66** in Kunming recorded a 4% decline in revenue, occupancy rate fell by three points to 84% at the end of the period. We maintained our market leadership position by leveraging our prime location as well as the first-rate amenities and services.

Revenue of the office tower at **Forum 66** in Shenyang decreased by 2% due to weak demand and an oversupply of new office premises in the district. Occupancy rate dropped by one point to 89% at the end of the period.

Total revenue of the two office towers at **Center 66** in Wuxi stayed flat while occupancy rate decreased six points to 83% at the end of the period. Our premium offerings and superior services, as well as the flexibility and product diversity offered by our self-operated multifunctional workspace, HANGOUT, enabled us to achieve a steady growth in unit rent during the period.

For the office tower at **Heartland 66** in Wuhan, revenue decreased by 2% and occupancy rate dropped by five points to 63% at the end of the period. Amid challenging market conditions, our self-operated multifunctional workspace, HANGOUT, will continue to offer flexible office layouts to suit various types of tenants, catering to the evolving needs of businesses and promoting collaboration among tenants.

Hong Kong

Hong Kong residents' cautious spending patterns and Mainland visitors' evolving travel habits continued to weigh on domestic consumption in the first half of 2025. The office market remained challenging, as the weak economic sentiment and conservative plans for business expansion continued to impact leasing demand.

Revenue and operating profits declined by 4% to HK\$1,488 million and by 4% to HK\$1,170 million, respectively, with a rental margin of 79%.

However, ongoing tenant mix optimization tailored to the preferences and behaviors of both locals and tourists has resulted in occupancy remaining well-managed and maintained at a high level.

Property Leasing – Hong Kong Portfolio for the Six Months Ended June 30

	Revenue			Period-end Occupancy Rate		
	(HK\$ Million)			June	December	June
	2025	2024	Change	2025	2024	2024
Retail	874	940	-7%	94%	95%	97%
Offices	502	507	-1%	87%	88%	89%
Residential & Serviced Apartments	112	101	11%	82%	88%	73%
Total	1,488	1,548	-4%			

- *Retail*

Revenue from our Hong Kong retail portfolio declined by 7% to HK\$874 million. To address weak consumer demand, we further refined our leasing strategy and optimized our tenant mix. At the end of the period, the overall occupancy remained high at 94%.

Amid weakened market sentiment, tenant sales saw a slight decline of 2%. To boost consumption, we will continue implementing targeted promotional campaigns under the “hello Hang Lung Malls Rewards Program”.

The revenue from retail properties in **Central Business and Tourist District Portfolio** decreased by 9% as a result of negative rental reversions and lease restructurings that were concluded for some anchor tenants. Occupancy stayed strong at 95% period-on-period.

In a market environment where local residents are showing more cautious spending habits, overall revenue of **Community Mall Portfolio** decreased by 5% period-on-period and occupancy dropped to 94% at the end of the period.

- *Offices*

Revenue fell by 1% to HK\$502 million following negative rental reversions and pressure from declining rental prices caused by oversupply. Proactive measures such as offering fitted office or subdividing premises to cater to tenant needs were implemented to secure a relatively high occupancy level of 87% at the end of the period.

Despite facing negative rental reversion in an office market experiencing oversupply, our **Hong Kong Island Portfolio** revenue remained stable and was accompanied by an increase in occupancy of one point to 83% period-on-period. We launched NET•WORK, a dynamic and flexible office space strategically located inside Central's iconic Standard Chartered Bank Building, in the first half of the year. The market responded favorably to the soft launch, resulting in a 64% occupancy rate at the end of the period.

Revenue of our **Kowloon Portfolio** dropped by 3% due to a decline in occupancy by three points to 93%, as semi-retail operators remain cost-conscious and rental corrections persisted.

- *Residential & Serviced Apartments*

Benefiting from the talent admission regime introduced by the Hong Kong government, an expanded customer base and the offering of flexible terms in serviced apartments have led to a 11% period-on-period increase in revenue for our residential and serviced apartments segment.

PROPERTY SALES AND DISPOSAL OF INVESTMENT PROPERTIES

In the first half of 2025, revenue of HK\$161 million (2024: HK\$1,228 million) was recognized for the sale of 19 residential units at The Aperture in Hong Kong and one unit at Heartland Residences in Wuhan.

Taking into account the gross loss from the sale of properties in mainland China and Hong Kong and associated selling expenses, marketing expenses, and other operating expenditures, an operating loss from property sales of HK\$57 million was recorded for the first half of 2025.

As of June 30, 2025, the contracted property sales yet to be recognized amounted to HK\$47 million, comprising pre-sale of two units at The Aperture and two units at Grand Hyatt Residences Kunming. The revenue will be recognized upon sale completion.

In the first half of 2025, the Company disposed of an investment property, a duplex unit at Summit at The Peak on Hong Kong Island. The sale was completed and a gain on disposal of HK\$27 million was recognized under Other Net Income during the period.

HOTELS

(for the Six Months Ended June 30)

	Revenue (RMB Million)			Average Occupancy Rate	
	2025	2024	Change	2025	2024
Conrad Shenyang	62	64	-3%	70%	68%
Grand Hyatt Kunming [#]	57	–	N/A	59%	N/A
Total	119	64	86%		
<i>Total in HK\$ Million equivalent</i>	<i>129</i>	<i>70</i>	<i>84%</i>		

[#] opened in August 2024

Despite a 3% decrease in revenue compared to the same period last year, **Conrad Shenyang** maintained its leading position in the rooms market. The hotel faced challenges in both room revenue and food and beverage revenue due to a weaker market across the city and a decline in consumer spending.

Grand Hyatt Kunming, a five-star hotel offering 331 guestrooms and five distinct dining venues within the Spring City 66 mixed-use complex, opened in August 2024. Despite weak consumer sentiment affecting food and beverage revenue, room revenue is gaining momentum month by month and has achieved market leadership. The hotel generated revenue of RMB57 million during the first half of the year.

PROPERTY REVALUATION

As of June 30, 2025, the total value of our investment properties and those under development amounted to HK\$193,230 million, including the Mainland portfolio of HK\$130,860 million and the Hong Kong portfolio of HK\$62,370 million. These properties were appraised by Savills, an independent valuer, as of June 30, 2025.

A revaluation loss of HK\$201 million was recorded (2024: loss of HK\$634 million).

The Mainland portfolio recorded a revaluation loss of HK\$32 million (2024: loss of HK\$351 million), representing less than 1% of the portfolio value as of December 31, 2024.

The Hong Kong portfolio recorded a revaluation loss of HK\$169 million (2024: loss of HK\$283 million), representing less than 1% of the portfolio value as of December 31, 2024.

Net revaluation loss after tax and non-controlling interests of HK\$675 million was reported (2024: net revaluation loss of HK\$674 million).

PROPERTY DEVELOPMENT AND CAPITAL COMMITMENT

The aggregated values of our projects under development for leasing and sale were HK\$26,137 million and HK\$8,118 million, respectively. These comprised projects in Wuxi, Hangzhou, Shanghai and Shenyang in mainland China, as well as redevelopment projects in Hong Kong. As of the reporting date, our capital commitments for the development of investment properties amounted to HK\$12,091 million.

Mainland China

Center Residences in Wuxi and **Xi Zhe Wuxi, Curio Collection by Hilton**, a lifestyle hotel, form the Phase Two development of Center 66. The residences comprise two high-rise residential towers that house a total of over 500 units. There will also be a seven-story new-build tower and a three-story heritage building offering a combined total of 105 hotel rooms. The project is scheduled for completion in phases from the second half of 2025 onwards. The Center Residences pre-sale will launch in the third quarter of 2025, while the opening of the hotel is slated for the second half of 2025.

Westlake 66 in Hangzhou is an integrated high-end commercial development consisting of a retail podium, five Grade A office towers, and a luxury hotel: **Mandarin Oriental Hangzhou**. The completion certificate was obtained in July 2025. Featuring 194 premium guestrooms and suites, the hotel is expected to open in the second half of 2026. The remaining sections of the development are scheduled to be ready for use in phases from the second half of 2025 onwards.

As part of the ongoing enhancement efforts in Jing'an District, Shanghai, we have initiated the Pavilion Extension at **Plaza 66**. This will feature a commercial area of approximately 3,080 square meters, comprising a three-story podium dedicated to retail and dining activities, as well as a basement level that connects to the existing shopping mall. The project is anticipated to be completed in 2026, and aims to offer customers an enriched shopping experience while bolstering the mall's prominent status within the city.

For the remaining mixed-use development of **Forum 66** in Shenyang with a site area of 44,000 square meters, we are temporarily designating it for the development of an urban park to enhance community well-being while monitoring the market conditions. This area aims to provide vibrant gathering spaces for families and visitors, energize surrounding areas, and create foot traffic.

Hong Kong

The land acquisition at 37 Shouson Hill Road in the Southern District of Hong Kong Island was completed in February 2021. The land site will be redeveloped into luxury houses. Demolition work was completed in June 2025.

The acquisition of all units at 8-12A Wilson Road in Jardine's Lookout of Hong Kong Island was completed in January 2025. This redevelopment project, with an expected gross floor area of approximately 25,800 square feet, will consist of detached luxury houses with spacious gardens overlooking the east of Mid-Levels and the Central skyline. The development scheme was approved by government in May 2025.

FINANCING MANAGEMENT

We maintain an appropriate capital structure with multiple financing channels to ensure that financial resources are always available to meet operational needs and corporate expansions. A sufficient level of standby banking facilities is in place to cushion Hang Lung Properties from any unexpected external economic shocks.

All financial risk managements, including debt refinancing, foreign exchange exposure, and interest rate volatility, are centrally managed and controlled at the corporate level. We use interest rate and foreign currency swaps as appropriate solely for risk management and hedging activities. Funding needs are closely monitored and regularly reviewed to allow for a fair degree of financial flexibility and liquidity while optimizing the cost of funds. We also maintain various sources of debt financing to mitigate concentration risk and diversify the funding channels.

For debt portfolio management, we focus on mitigating foreign exchange, interest rate, and refinancing risks through a mix of HKD/RMB/USD borrowings, fixed/floating-rate debts, a staggered debt repayment profile, and a diversified source of funding.

- *Cash Management*

Total cash and bank balances at the reporting date by currency:

	At June 30, 2025		At December 31, 2024	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Denominated in:				
HKD	3,951	57%	8,367	81%
RMB	2,953	43%	1,934	19%
USD	1	–	2	–
Total cash and bank balances	6,905	100%	10,303	100%

All deposits are placed with banks carrying strong credit ratings with thresholds set for concentration management with counterparty risk is routinely monitored.

- *Debt Portfolio*

At the balance sheet date, total borrowings amounted to HK\$54,767 million (December 31, 2024: HK\$57,376 million), of which 43% was denominated in RMB, which acts as a natural hedge to net investments in mainland China.

Our fixed-rate borrowings primarily consist of bonds, fixed-rate bank loans, and floating-rate bank loans that are converted to fixed-rate through the use of interest rate swaps. The percentage of fixed-rate borrowings accounted for 43% of total borrowings as of June 30, 2025. After excluding the onshore floating-rate debts, the percentage of fixed-rate borrowings would be 60% of total offshore borrowings as of June 30, 2025 (December 31, 2024: 56%).

The composition of our debt portfolio can be categorized as follows:

(i) by currency (after currency swap):

	At June 30, 2025		At December 31, 2024	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Denominated in:				
HKD	31,376	57%	36,705	64%
RMB	23,391	43%	20,671	36%
Total borrowings	54,767	100%	57,376	100%

(ii) by fixed or floating interest (after interest rate swap):

	At June 30, 2025		At December 31, 2024	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Fixed	23,399	43%	23,725	41%
Floating	31,368	57%	33,651	59%
Total borrowings	54,767	100%	57,376	100%

- *Gearing Ratios*

At the balance sheet date, the net debt balance amounted to HK\$47,862 million (December 31, 2024: HK\$47,073 million). The net debt to equity ratio was 33.5% (December 31, 2024: 33.4%), and the debt-to-equity ratio was 38.3% (December 31, 2024: 40.7%). The increase in net debt to equity ratio was largely due to increased capital expenditures in both mainland China and Hong Kong.

- *Maturity Profile and Refinancing*

At the balance sheet date, the average tenure of our debt portfolio was 3.0 years (December 31, 2024: 2.9 years). The maturity profile staggered over more than 11 years. Around 71% of our outstanding debt would be repayable after two years (December 31, 2024: 65%).

In January 2025, we successfully signed a HK\$10 billion five-year syndicated term loan and revolving credit facility, which lengthens our loan maturity profile and enhances our funding sources for business development.

	At June 30, 2025		At December 31, 2024	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Repayable:				
Within 1 year	6,407	12%	9,340	16%
After 1 but within 2 years	9,563	17%	10,859	19%
After 2 but within 5 years	35,003	64%	33,295	58%
Over 5 years	3,794	7%	3,882	7%
Total borrowings	54,767	100%	57,376	100%

As of June 30, 2025, total undrawn committed banking facilities amounted to HK\$21,753 million (December 31, 2024: HK\$12,535 million). The available balances of the US\$4 billion (December 31, 2024: US\$4 billion) medium-term note program amounted to US\$2,398 million, equivalent to HK\$18,826 million (December 31, 2024: HK\$16,134 million).

- *Net Finance Costs and Interest Cover*

For the first half of 2025, gross finance costs decreased by 7% to HK\$988 million. The lower average effective cost of borrowing of 3.9% (2024: 4.3%) (attributed to the lower interest rate environment and the effective cost of borrowing management from the debt market) outweighed the higher interest from the increase in average borrowings which was primarily for capital expenditure.

The net amount charged to the statement of profit or loss (after excluding capitalized amounts) increased to HK\$497 million. A number of Hong Kong and Mainland projects ceased capitalization of interests upon completion in 2024, which means fewer projects were eligible for interest capitalization.

Interest cover for the six months of 2025 was 3.1 times (2024: 3.0 times).

- *Foreign Exchange Management*

The primary exchange rate risk that we are exposed to is RMB fluctuations. This exposure is mainly derived from the currency translation risk arising from the net assets of our subsidiaries in mainland China.

We practice strict discipline of not speculating on the exchange rate movement of RMB against HKD and maintaining an appropriate level of RMB-denominated resources for capital requirements in mainland China, including cash inflows from local operations and RMB-denominated borrowings. Regular business reviews are carried out to assess the level of funding needed for our projects in mainland China, taking into account factors such as regulatory updates, project development timelines, and the macroeconomic environment. Appropriate modifications to our funding plan will be conducted whenever necessary.

As of June 30, 2025, net assets denominated in RMB accounted for approximately 70% of our total net assets. RMB appreciated against the HKD by 1.5% as compared to that as of December 31, 2024. The translation of these net assets from RMB into HKD at the exchange rate as of the reporting date resulted in a translation gain of HK\$1,446 million (2024: loss of HK\$682 million), recognized in other comprehensive income.

- *Charge of Assets*

None of Hang Lung Properties' assets were charged to third parties as of June 30, 2025.

- *Contingent Liabilities*

Hang Lung Properties had no material contingent liabilities as of June 30, 2025.

SUSTAINABILITY

80% of Hang Lung's Mainland Portfolio Is Fully Powered by Renewable Energy

Hang Lung's portfolio of renewable energy — powered properties has expanded in mainland China, increasing from 50% to 80% of our operating locations. The three additional properties — Forum 66 and Palace 66 in Shenyang, and Olympia 66 in Dalian — have fully transitioned to renewable energy sources as of May 1, 2025, and are the first commercial developments in Liaoning Province to achieve this significant milestone. The three properties have secured renewable energy from wind and solar sources through power purchase agreements aligned with mainland China's green energy policy framework. By the end of this year, Hang Lung Properties is expected to procure approximately 320 million kWh of renewable energy across eight properties — an achievement that far exceeds our sustainability target of 25% renewable energy for our mainland China portfolio by 2025.

Hang Lung's Groundbreaking Discussion Paper Drives Industry Dialogue on Net Zero Transition

Hang Lung Properties has published an innovative discussion paper, *Our Journey to Net Zero: Our Scenarios and Actions to Reduce Greenhouse Gas Emissions to 2050*, which investigates pathways and strategies for achieving our net zero targets. The paper shares findings from a decarbonization model we developed that incorporates over 1,000 internal and external data inputs. The analysis includes two main scenarios to reduce greenhouse gas (GHG) emissions between now and 2050. Starting from a baseline of around 1,000,000 tonnes of GHG in 2023, Hang Lung Properties' emissions could drop to fewer than 100,000 tonnes by 2050 — and potentially even lower. The scale of new construction and the emissions intensity of available construction materials will play a critical role in shaping this reduction. The discussion paper also highlights our potential to achieve full net zero by 2050 through sustained effort, supplier collaboration, and leveraging technological advancements.

Changemakers Program Gains Traction as Hang Lung Partners With Tenants on Sustainability

Through Hang Lung's Changemakers: Tenant Partnerships on Sustainability Program (the "Changemakers Program"), we are intensifying our collaborative efforts with tenants to reduce energy use and waste, advance circularity, and improve community wellbeing. Our first recognition ceremony in April 2025 honored tenants for their sustainability initiatives over the previous year. As of June 2025, 42 tenants have joined our Changemakers community, representing a diverse range of sectors, including office, retail, and hospitality, across 16 properties in Hong Kong and mainland China, totaling over 238,000 square meters of leased floor area or 12% of Hang Lung Properties' leasable floor area.

We have also recently enhanced the Changemakers Program by offering tenants access to a comprehensive energy and carbon management platform, which provides real-time energy consumption analytics across the leased spaces, delivering data-driven, actionable insights to support the tenants' sustainability goals and optimize their operational performance.

Hang Lung and Tsinghua University Mark 15 Years of Shared Impact on Sustainable Urban Futures

2025 marks the 15th anniversary of the Hang Lung Center for Real Estate at Tsinghua University ("the Center"), a collaboration committed to advancing academic research and fostering industry-academia cooperation in the real estate sector. To commemorate the anniversary, the Center hosted a Forum on Sustainable Development of Cities and Real Estate on April 2, 2025, bringing together industry leaders, academics, and policymakers to discuss the sector's future. Approximately 3,000 participants attended the hybrid event, including industry representatives, business partners, Tsinghua professors and students, and national media.

Since 2010, Hang Lung Properties has donated more than RMB33 million to support Tsinghua University's real estate programs and the Center's academic research and exchanges. This alliance has emerged as one of the leading Asia-based partnerships in the real estate sector, uniting business and academia and playing a crucial role in shaping the industry's development in mainland China.

Hang Lung's Property Portfolio Empowers Hong Kong's Young Entrepreneurs

In partnership with the Hong Kong Housing Authority, Hang Lung Properties supported the second phase of the Well Being · Start-Up 2.0 Programme by offering young entrepreneurs six months of rent-free retail space at Peak Galleria, Kornhill Plaza, and Amoy Plaza. This initiative aims to empower the next generation to unleash their creativity and nurture their entrepreneurial spirit in a real-world environment, reaffirming our commitment to community investment.

Moving into their designated retail spaces in July, selected startups will benefit from proximity to high-profile businesses and participation in Hang Lung Properties' signature mall-wide promotional campaigns while receiving tailored marketing support from the Company.

OUTLOOK

The recent trade disputes and escalating restrictions between the U.S. and China have created uncertainties in the global economy. The trade tariffs and inflation dynamics might stall the expected cuts of interest rate by the Federal Reserve, which could potentially have a detrimental impact on consumer spending and business expansion.

In mainland China, the lack of confidence shared among Chinese consumers persists into 2025. However, we see some signs of stabilization. Demand is anticipated to rise moderately in upcoming months from fiscal expansion and the government's dedicated supportive measures. Following the short-lived consumption rebound after the end of the pandemic, we have observed that Chinese consumers are rationalizing their spending and prioritizing quality-of-life upgrades. Retailers are adapting to the fast-changing market conditions in order to gain first-mover advantages. To remain competitive and navigate this evolving market landscape, we are also bolstering our asset management capabilities and dynamically refining our operating strategies. Two examples of these initiatives are the Pavilion Extension project and the VIC Lounge refurbishment, both of which are under way in Plaza 66. In the midst of supply pressure and rental corrections in the office leasing markets, especially in the first-tier cities like Shanghai, we are prioritizing tenant-centric needs to retain quality tenants. As to our upscale commercial complex, Westlake 66 in Hangzhou, we are standing on the brink of its phasal completion in the coming months. Pre-leasing activities in both retail and office leasing remain upbeat amid weak market sentiment. This project embodies our commitment to innovation and community enhancement and serves as a steppingstone toward our larger aspirations of growth and excellence.

In Hong Kong, with ongoing pressure from shifting consumption patterns and external economic factors, retail sector probably remains challenging in the second half of 2025. While inbound travel has not yet recovered to its pre-pandemic level, visitors are expressing a strong interest in immersive, Instagrammable travel experiences and the variety of mega events that the government is promoting. Our outlook for the long-term business climate remains positive, but it is unclear how long the economic slowdown will last. We will continue to focus on creating immersive shopping experiences, like interactive displays and pop-up events, as well as collaborating with local businesses and artisans to create unique offerings that resonate with both local residents and tourists, fostering a sense of community and authenticity. We will also seek opportunities to optimize our Hong Kong portfolio through capital recycling exercises.

With respect to property sales, Center Residences in Wuxi is going to launch its first batch of pre-sale, garnering positive feedback for its marketing activities. Our Hang Lung Residences series, which includes Heartland Residences in Wuhan and Grand Hyatt Residences Kunming, caters to both local residents seeking premium living standards and affluent buyers from other cities looking for business convenience. Our premium management services and superior product quality distinguish us from our peers, allowing us to attract discerning buyers in respective cities. While in Hong Kong, we continue to market our remaining residential units in The Aperture and houses in Blue Pool Road. Recent analysts' reports suggest that the residential market is bottoming out and we are optimistic about achieving more sales when the economy recovers.

CORPORATE GOVERNANCE

We are committed to maintaining the highest standards of corporate governance. During the six months ended June 30, 2025, we adopted corporate governance principles that emphasize a qualified Board, sound internal controls, and effective risk management to enhance transparency and accountability towards our stakeholders. The general framework of our corporate governance practices is set out in our corporate governance report in the 2024 annual report, which is available on our website under “Financial Report” in the “Financial Information” subsection of the “Investor” section.

The Board

The Board comprises three Executive Directors and five Independent Non-Executive Directors. The Independent Non-Executive Directors accounts for 62.5% of the Board, exceeding the requirement of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). An updated list of Board members with their roles and functions is maintained on both our website and the website of Hong Kong Exchanges and Clearing Limited (“HKEX”). The biographical details of the Board members are also available on our website under “Our Management” of the “Corporate Governance” section. There is a clear division of responsibilities between the Chair and the Chief Executive Officer to ensure a balance of power and authority. The Board generally meets six times a year and continues to review its practices from time to time, constantly seeking to improve the corporate governance procedures of the Company and its subsidiaries (the “Group”) in accordance with international best practices.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee comprises entirely of Independent Non-Executive Directors, and is chaired by an Independent Non-Executive Director. The Committee members meet at least once a year. Its duties include reviewing significant changes to the salary structure within the Group and the terms and conditions affecting Executive Directors and senior management. The Committee members also conduct regular reviews of the Board's structure, size and diversity, and make recommendations to the Board on the appointment, re-appointment and succession planning of Directors. The terms of reference of the Committee are available on both our website under “Nomination & Remuneration Committee” of the “Corporate Governance” section, and the website of HKEX.

Audit Committee

Our Audit Committee, which is chaired by an Independent Non-Executive Director, currently consists of three Independent Non-Executive Directors. The Committee members meet at least four times a year. Meetings are attended by external and internal auditors, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary for the purposes of, *inter alia*, discussing the nature and scope of internal audit work and assessing the Company's internal controls. The terms of reference of the Committee, which include duties pertaining to corporate governance functions and the oversight of risk management, are available on both our website under "Audit Committee" of the "Corporate Governance" section, and the website of HKEX.

This unaudited interim financial report was reviewed by KPMG, our auditor, in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. The Independent Auditor's Review Report is set out on pages 40 and 41 of this interim report. The Audit Committee has reviewed this interim report, including the unaudited interim financial report for the six months ended June 30, 2025, and has recommended their adoption by the Board.

Compliance with Corporate Governance Code contained in Appendix C1 to the Listing Rules

During the six months ended June 30, 2025, the Company did not only comply with, but in certain areas also exceeded the requirements of, the code provisions set out in the Corporate Governance Code as stated in Appendix C1 of the Listing Rules.

Compliance with Model Code contained in Appendix C3 to the Listing Rules

We have adopted a code of conduct with regard to securities transactions by Directors (the "Code of Conduct") on terms that are no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "Model Code"). The Company has made specific enquiries with all Directors and confirmed that they have complied with the required standard set out in the Model Code and the Code of Conduct throughout the six months ended June 30, 2025.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2025, the interests or short positions of each Director in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code or which were recorded in the register required to be kept by the Company under section 352 of the SFO were as follows:

Name	Capacity	The Company (Long Positions)			Hang Lung Group Limited (Long Positions)	
		Number of Shares	% of Total Number of Issued Shares	Number of Share Options (Note 3)	Number of Shares	% of Total Number of Issued Shares
Adriel Chan	Personal & Other	3,271,168,287 (Note 2)	65.40	15,050,000	551,752,580 (Notes 1 & 2)	40.52
Weber W.P. Lo	Personal	1,128,542	0.02	25,750,000	460,000	0.03
Nelson W.L. Yuen	Personal	8,000,000	0.16	–	–	–
Philip N.L. Chen	Personal	–	–	2,500,000	–	–
Andrew K.C. Chan	–	–	–	–	–	–
Anita Y.M. Fung	–	–	–	–	–	–
Holly T.F. Li	–	–	–	–	–	–
Kenneth K.K. Chiu	Personal	–	–	6,800,000	–	–

Notes:

- Other interests included 28,579,500 shares of Hang Lung Group Limited ("HLG"), the holding company of the Company, held by a trust of which Mr. Adriel Chan was a settlor and a discretionary beneficiary. Accordingly, Mr. Adriel Chan was deemed to be interested in such shares under the SFO.
- Other interests included 3,270,474,753 shares of the Company and 522,423,080 shares of HLG held or deemed to be held by another trust of which Mr. Adriel Chan was a discretionary beneficiary. Accordingly, Mr. Adriel Chan was deemed to be interested in such shares under the SFO. Mr. Adriel Chan was also personally interested in 693,534 shares of the Company and 750,000 shares of HLG respectively.
- Movements of Directors' share options under the share option scheme of the Company adopted on April 18, 2012 (the "2012 Share Option Scheme") and another share option scheme of the Company adopted on April 27, 2022 (the "2022 Share Option Scheme") are set out under the section below headed under "Share Option Schemes".

Save as disclosed above, none of the Directors had, as at June 30, 2025, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO).

Other than as stated above, at no time during the six months ended June 30, 2025 was the Company, its holding company or any of their respective subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEMES

The purposes of the 2012 Share Option Scheme and the 2022 Share Option Scheme (together, the “Share Option Schemes”) are to enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group, to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interest in the Company.

Under the Share Option Schemes, the Board is authorized to grant options to selected participants, including employees and directors of any company in the Group, subject to the terms and conditions as the Board may specify on a case-by-case basis or generally. The Share Option Schemes do not provide for any minimum vesting period. The vesting period, the period open for acceptance of the option and amount payable thereon, the exercisable period and the number of shares subject to each option under the Share Option Schemes are determined by the Board at the time of grant. The exercise price of the options is determined by the Board at the time of grant, and shall not be less than the higher of the nominal value of shares, the closing price of shares at the date of grant and the average closing price of shares for the five business days immediately preceding the date of grant.

Pursuant to the resolutions passed by the shareholders of the Company and HLG at their respective annual general meetings held on April 27, 2022, the 2022 Share Option Scheme was adopted and became effective on the same date for a period of 10 years. The 2022 Share Option Scheme will expire on April 26, 2032. Upon the adoption of the 2022 Share Option Scheme, the 2012 Share Option Scheme was terminated upon its expiry.

As at January 1, 2025, no further share option shall be granted under the 2012 Share Option Scheme and the total number of share options available for grant under the 2022 Share Option Scheme was 282,875,550.

During the six months ended June 30, 2025, 6,600,000 options were granted under the 2022 Share Option Scheme. As at June 30, 2025, the total number of share options available for grant under the 2022 Share Option Scheme was 276,275,550.

As at the date of this interim report, the total number of shares available for issue in respect of the share options granted under the 2012 Share Option Scheme and the 2022 Share Option Scheme were 164,714,500 and 51,659,000, respectively, representing approximately 3.3% and 1.0% of the total number of issued shares of the Company. As at the date of this interim report, the total number of shares available for issue in respect of which options may be granted under the 2022 Share Option Scheme was 276,275,550, representing approximately 5.5% of the total number of issued shares of the Company.

The total number of shares issued and to be issued upon exercise of options (including both exercised and outstanding) granted to each participant under the 2012 Share Option Scheme and the 2022 Share Option Scheme in any 12-month period shall not exceed 1% of the shares of the Company in issue.

The number of shares that may be issued in respect of options granted under the Share Option Schemes during the six months ended June 30, 2025 divided by the weighted average number of ordinary shares in issue for the six months ended June 30, 2025 is 0.02.

Movements of the share options under the 2012 Share Option Scheme during the six months ended June 30, 2025 were set out below:

Date of Grant	Category of Participants (Note 1)	Number of Share Options				Outstanding as at Jun 30, 2025	Exercise Price per Share HK\$	Closing Price Per Share on the Date of Grant HK\$	Vesting Dates (Note 2)	Expiry Date (Note 2)
		Outstanding as at Jan 1, 2025	Granted during the Period	Exercised during the Period	Lapsed/ Forfeited during the Period					
Aug 10, 2017	<i>Honorary Chair:</i>						19.98	19.86	Aug 10, 2019: 10%	Aug 9, 2027
	Ronnie C. Chan (Note 3)	1,925,000	–	–	–	1,925,000			Aug 10, 2020: 20%	
									Aug 10, 2021: 30%	
									Aug 10, 2022: 40%	
	<i>Directors:</i>									
	Adriel Chan	1,850,000	–	–	–	1,850,000				
	Philip N.L. Chen	2,500,000	–	–	–	2,500,000				
	<i>Employees</i>	18,944,000	–	–	(735,000)	18,209,000				
		25,219,000	–	–	(735,000)	24,484,000				
May 16, 2018	<i>Director:</i>						18.98	18.98	May 16, 2020: 10%	May 15, 2028
	Weber W.P. Lo	10,000,000	–	–	–	10,000,000			May 16, 2021: 20%	
		10,000,000	–	–	–	10,000,000			May 16, 2022: 30%	
									May 16, 2023: 40%	
Jun 28, 2019	<i>Honorary Chair:</i>						18.58	18.58	Jun 28, 2021: 10%	Jun 27, 2029
	Ronnie C. Chan (Note 3)	3,025,000	–	–	–	3,025,000			Jun 28, 2022: 20%	
									Jun 28, 2023: 30%	
									Jun 28, 2024: 40%	
	<i>Directors:</i>									
	Adriel Chan	2,200,000	–	–	–	2,200,000				
	Weber W.P. Lo	2,750,000	–	–	–	2,750,000				
	<i>Employees</i>	28,697,500	–	–	(1,789,000)	26,908,500				
		36,672,500	–	–	(1,789,000)	34,883,500				

Movements of the share options under the 2012 Share Option Scheme during the six months ended June 30, 2025 were set out below:

Date of Grant	Category of Participants (Note 1)	Number of Share Options				Outstanding as at Jun 30, 2025	Exercise Price per Share HK\$	Closing Price Per Share on the Date of Grant HK\$	Vesting Dates (Note 2)	Expiry Date (Note 2)
		Outstanding as at Jan 1, 2025	Granted during the Period	Exercised during the Period	Lapsed/ Forfeited during the Period					
May 12, 2021	<i>Honorary Chair:</i> Ronnie C. Chan (Note 3)	3,300,000	–	–	–	3,300,000	19.95	19.60	May 12, 2023: 10% May 12, 2024: 20% May 12, 2025: 30% May 12, 2026: 40%	May 11, 2031
	<i>Directors:</i> Adriel Chan Weber W.P. Lo	3,000,000 3,000,000	– –	– –	– –	3,000,000 3,000,000				
	<i>Employees</i>	40,106,000	–	–	(3,124,500)	36,981,500				
		49,406,000	–	–	(3,124,500)	46,281,500				
Oct 6, 2021	<i>Director:</i> Kenneth K.K. Chiu	2,000,000	–	–	–	2,000,000	17.65	17.58	Oct 6, 2023: 10% Oct 6, 2024: 20% Oct 6, 2025: 30% Oct 6, 2026: 40%	Oct 5, 2031
		2,000,000	–	–	–	2,000,000				
Feb 21, 2022	<i>Honorary Chair:</i> Ronnie C. Chan (Note 3)	3,300,000	–	–	–	3,300,000	16.38	16.32	Feb 21, 2024: 10% Feb 21, 2025: 20% Feb 21, 2026: 30% Feb 21, 2027: 40%	Feb 20, 2032
	<i>Directors:</i> Adriel Chan Weber W.P. Lo Kenneth K.K. Chiu	3,000,000 3,000,000 2,100,000	– – –	– – –	– – –	3,000,000 3,000,000 2,100,000				
	<i>Employees</i>	41,440,000	–	–	(2,950,000)	38,490,000				
		52,840,000	–	–	(2,950,000)	49,890,000				
	Honorary Chair	11,550,000	–	–	–	11,550,000				
	Directors	35,400,000	–	–	–	35,400,000				
	Employees	129,187,500	–	–	(8,598,500)	120,589,000				
Total		176,137,500	–	–	(8,598,500)	167,539,000				

Movements of the share options under the 2022 Share Option Scheme during the six months ended June 30, 2025 were set out below:

Date of Grant	Category of Participants (Note 1)	Number of Share Options				Outstanding as at Jun 30, 2025	Exercise Price per Share HK\$	Closing Price Per Share on the Date of Grant HK\$	Vesting Dates (Note 2)	Expiry Date (Note 2)
		Outstanding as at Jan 1, 2025	Granted during the Period	Exercised during the Period	Lapsed/ Forfeited during the Period					
Jun 28, 2023	<i>Honorary Chair:</i>						12.49	12.34	Jun 28, 2025: 20%	Jun 27, 2033
	Ronnie C. Chan (Note 3)	3,300,000	–	–	–	3,300,000			Jun 28, 2026: 30%	
									Jun 28, 2027: 50%	
	<i>Directors:</i>									
	Adriel Chan	3,000,000	–	–	–	3,000,000				
	Weber W.P. Lo	3,000,000	–	–	–	3,000,000				
	Kenneth K.K. Chiu	2,100,000	–	–	–	2,100,000				
	<i>Employees</i>	36,724,000	–	–	(2,531,000)	34,193,000				
		48,124,000	–	–	(2,531,000)	45,593,000				
Jan 27, 2025	<i>Directors:</i>						6.21	6.21	Jan 27, 2027: 20%	Jan 26, 2035
	Adriel Chan	–	2,000,000	–	–	2,000,000			Jan 27, 2028: 30%	
	Weber W.P. Lo	–	4,000,000	–	–	4,000,000			Jan 27, 2029: 50%	
	Kenneth K.K. Chiu	–	600,000	–	–	600,000				
		–	6,600,000	–	–	6,600,000				
	Honorary Chair	3,300,000	–	–	–	3,300,000				
	Directors	8,100,000	6,600,000	–	–	14,700,000				
	Employees	36,724,000	–	–	(2,531,000)	34,193,000				
Total		48,124,000	6,600,000	–	(2,531,000)	52,193,000				

Notes:

1. “Employees” include current and former employees of the Group and persons who were granted share options as an incentive to enter into employment contracts with the Group.
2. Exercise periods of the share options start from the respective vesting dates and end on the respective expiry dates.
3. Mr. Ronnie C. Chan retired as the Chair and an Executive Director on April 26, 2024, and the Board bestowed upon him the title of “Honorary Chair” on the same date. Mr. Adriel Chan is the son of Mr. Ronnie C. Chan, the Honorary Chair.

Please also refer to Note 13 to the consolidated financial statements for further details of the Share Option Schemes.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2025, to the best of the knowledge of the Directors, details of substantial shareholders' and other persons' (who are required to disclose their interests pursuant to Part XV of the SFO) interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	Note	Number of Shares or Underlying Shares Held (Long Positions)	% of Total Number of Issued Shares (Long Positions) (Note 4)
Adriel Chan	1	3,271,168,287	65.40
Chan Tan Ching Fen	1	3,270,474,753	65.38
Cole Enterprises Holdings (PTC) Limited	1	3,270,474,753	65.38
Merssion Limited	1	3,270,474,753	65.38
HLG	2	3,242,141,653	64.82
Prosperland Housing Limited	3	1,482,333,885	29.63
Purotat Limited	3	414,259,316	8.28
Curicao Company Limited	3	330,379,678	6.60
Cokage Limited	3	259,300,409	5.18

Notes:

- These shares were the same parcel of shares held by controlled corporations of Merssion Limited which was held under a trust. As Ms. Chan Tan Ching Fen was the founder, Cole Enterprises Holdings (PTC) Limited was the trustee, and Mr. Adriel Chan was a discretionary beneficiary of the trust, they were deemed to be interested in such shares under the SFO. Mr. Adriel Chan was also personally interested in 693,534 shares of the Company.

The controlled corporations included HLG in which Merssion Limited had 38.37% interests. Accordingly, the 3,242,141,653 shares held by HLG through its subsidiaries were included in the 3,270,474,753 shares.

- These shares were held by wholly-owned subsidiaries of HLG.
- These companies were wholly-owned subsidiaries of HLG. Their interests were included in the 3,242,141,653 shares held by HLG.
- Shareholding percentages were calculated based on the total number of issued shares of the Company as at June 30, 2025, being 5,002,011,935 shares.

Save as disclosed above, as at June 30, 2025, no other interests or short positions in the shares or underlying shares of the Company required to be recorded in the register kept under section 336 of the SFO has been notified to the Company.

CHANGE IN INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

There is no change in the information of Directors which is required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules since the date of the 2024 annual report of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

EMPLOYEES

As at June 30, 2025, the number of employees was 3,862 (comprising 906 Hong Kong employees and 2,956 mainland China employees). The total employee costs for the six months ended June 30, 2025, amounted to HK\$895 million. We provide competitive remuneration packages for all employees including discretionary bonuses payable based on individual performance. We regularly review remuneration packages to ensure that they comply with relevant regulatory requirements and market conditions. The Company also has a share option scheme and provides professional and high-quality trainings for employees.



Review report to the Board of Directors of Hang Lung Properties Limited

(Incorporated in the Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 43 to 66 which comprises the consolidated statement of financial position of Hang Lung Properties Limited (“the Company”) as at June 30, 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at June 30, 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

July 30, 2025

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2025 (Unaudited)

				For information purpose only	
	Note	2025 HK\$ Million	2024 HK\$ Million	2025 RMB Million	2024 RMB Million
Revenue	2(a)	4,968	6,114	4,598	5,606
Direct costs and operating expenses		(1,713)	(2,684)	(1,585)	(2,471)
		3,255	3,430	3,013	3,135
Other net income	3	45	23	41	21
Administrative expenses		(309)	(341)	(288)	(314)
Profit from operations before changes in fair value of properties		2,991	3,112	2,766	2,842
Decrease in fair value of properties		(201)	(634)	(184)	(584)
Profit from operations after changes in fair value of properties		2,790	2,478	2,582	2,258
Interest income		20	26	18	24
Finance costs		(497)	(455)	(462)	(419)
Net interest expense	4	(477)	(429)	(444)	(395)
Share of (loss)/profit of joint ventures		(3)	19	(3)	17
Profit before taxation	5	2,310	2,068	2,135	1,880
Taxation	6	(1,063)	(729)	(979)	(663)
Profit for the period	2(b)	1,247	1,339	1,156	1,217
Attributable to:					
Shareholders		912	1,061	849	964
Non-controlling interests		335	278	307	253
Profit for the period		1,247	1,339	1,156	1,217
Earnings per share	8(a)				
Basic		HK\$0.19	HK\$0.23	RMB0.18	RMB0.21
Diluted		HK\$0.19	HK\$0.23	RMB0.18	RMB0.21

The accompanying notes form part of the interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2025 (Unaudited)

	2025 HK\$ Million	2024 HK\$ Million	For information purpose only	
			2025 RMB Million	2024 RMB Million
Profit for the period	1,247	1,339	1,156	1,217
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Movement in exchange reserve:				
Exchange difference arising from translation to presentation currency	1,656	(765)	(1,184)	824
(Loss)/gain on net investment hedge	(210)	83	–	76
Movement in hedging reserve:				
Effective portion of changes in fair value	(145)	114	(136)	106
Net amount transferred to profit or loss	(6)	(34)	(5)	(32)
Deferred tax	24	(12)	22	(11)
Item that will not be reclassified to profit or loss:				
Net change in fair value of equity investments	–	1	–	1
Other comprehensive income for the period, net of tax	1,319	(613)	(1,303)	964
Total comprehensive income for the period	2,566	726	(147)	2,181
Attributable to:				
Shareholders	2,076	520	(464)	1,934
Non-controlling interests	490	206	317	247
Total comprehensive income for the period	2,566	726	(147)	2,181

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2025

		(Unaudited) June 30, 2025	(Audited) December 31, 2024	For information purpose only	
	Note	HK\$ Million	HK\$ Million	June 30, 2025 RMB Million	December 31, 2024 RMB Million
Non-current assets					
Investment properties	9	167,093	166,519	152,492	155,224
Investment properties under development	9	26,137	24,001	23,836	22,226
Property, plant and equipment		2,952	2,833	2,692	2,625
Interests in joint ventures		1,085	1,104	991	1,040
Other assets		76	76	69	72
Deferred tax assets		157	140	143	132
		197,500	194,673	180,223	181,319
Current assets					
Cash and deposits with banks		6,905	10,303	6,304	9,676
Trade and other receivables	10	3,112	3,183	2,840	2,968
Properties for sale		13,852	13,489	12,645	12,603
		23,869	26,975	21,789	25,247
Current liabilities					
Bank loans and other borrowings		6,407	9,340	5,851	8,749
Trade and other payables	11	8,838	9,291	8,065	8,651
Lease liabilities		26	23	24	21
Current tax payable		341	294	311	273
		15,612	18,948	14,251	17,694
Net current assets		8,257	8,027	7,538	7,553
Total assets less current liabilities		205,757	202,700	187,761	188,872
Non-current liabilities					
Bank loans and other borrowings		48,360	48,036	44,163	45,077
Lease liabilities		258	240	235	222
Deferred tax liabilities		14,058	13,374	12,821	12,394
		62,676	61,650	57,219	57,693
NET ASSETS		143,081	141,050	130,542	131,179
Capital and reserves					
Share capital	12	43,398	42,051	40,643	39,410
Reserves		89,730	89,536	80,823	83,010
Shareholders' equity		133,128	131,587	121,466	122,420
Non-controlling interests		9,953	9,463	9,076	8,759
TOTAL EQUITY		143,081	141,050	130,542	131,179

The accompanying notes form part of the interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2025 (Unaudited)

HK\$ Million

	Shareholders' equity				Non-controlling interests	Total equity
	Share capital (Note 12)	Other reserves (Note 14)	Retained profits (Note 14)	Total		
At January 1, 2025	42,051	(6,855)	96,391	131,587	9,463	141,050
Profit for the period	–	–	912	912	335	1,247
Exchange difference arising from translation to presentation currency	–	1,501	–	1,501	155	1,656
Loss on net investment hedge	–	(210)	–	(210)	–	(210)
Cash flow hedges: net movement in hedging reserve	–	(127)	–	(127)	–	(127)
Total comprehensive income for the period	–	1,164	912	2,076	490	2,566
Final dividend in respect of previous year	–	–	(1,913)	(1,913)	–	(1,913)
Shares issued in respect of scrip dividend of 2024 final dividend	1,347	–	–	1,347	–	1,347
Employee share-based payments	–	21	10	31	–	31
At June 30, 2025	43,398	(5,670)	95,400	133,128	9,953	143,081
At January 1, 2024	39,950	(4,929)	97,387	132,408	9,715	142,123
Profit for the period	–	–	1,061	1,061	278	1,339
Exchange difference arising from translation to presentation currency	–	(693)	–	(693)	(72)	(765)
Gain on net investment hedge	–	83	–	83	–	83
Cash flow hedges: net movement in hedging reserve	–	68	–	68	–	68
Net change in fair value of equity investments	–	1	–	1	–	1
Total comprehensive income for the period	–	(541)	1,061	520	206	726
Final dividend in respect of previous year	–	–	(2,699)	(2,699)	–	(2,699)
Shares issued in respect of scrip dividend of 2023 final dividend	1,708	–	–	1,708	–	1,708
Employee share-based payments	–	34	8	42	–	42
At June 30, 2024	41,658	(5,436)	95,757	131,979	9,921	141,900

The accompanying notes form part of the interim financial report.

For information purpose only

RMB Million

	Shareholders' equity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained profits	Total		
At January 1, 2025	39,410	2,644	80,366	122,420	8,759	131,179
Profit for the period	–	–	849	849	307	1,156
Exchange difference arising from translation to presentation currency	–	(1,194)	–	(1,194)	10	(1,184)
Cash flow hedges: net movement in hedging reserve	–	(119)	–	(119)	–	(119)
Total comprehensive income for the period	–	(1,313)	849	(464)	317	(147)
Final dividend in respect of previous year	–	–	(1,752)	(1,752)	–	(1,752)
Shares issued in respect of scrip dividend of 2024 final dividend	1,233	–	–	1,233	–	1,233
Employee share-based payments	–	20	9	29	–	29
At June 30, 2025	40,643	1,351	79,472	121,466	9,076	130,542
At January 1, 2024	37,462	1,380	81,327	120,169	8,803	128,972
Profit for the period	–	–	964	964	253	1,217
Exchange difference arising from translation to presentation currency	–	830	–	830	(6)	824
Gain on net investment hedge	–	76	–	76	–	76
Cash flow hedges: net movement in hedging reserve	–	63	–	63	–	63
Net change in fair value of equity investments	–	1	–	1	–	1
Total comprehensive income for the period	–	970	964	1,934	247	2,181
Final dividend in respect of previous year	–	–	(2,514)	(2,514)	–	(2,514)
Shares issued in respect of scrip dividend of 2023 final dividend	1,590	–	–	1,590	–	1,590
Employee share-based payments	–	32	7	39	–	39
At June 30, 2024	39,052	2,382	79,784	121,218	9,050	130,268

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended June 30, 2025 (Unaudited)

			For information purpose only	
	2025 HK\$ Million	2024 HK\$ Million	2025 RMB Million	2024 RMB Million
Operating activities				
Cash generated from operations	2,863	2,691	2,638	2,458
Income tax paid	(523)	(629)	(483)	(574)
Net cash generated from operating activities	2,340	2,062	2,155	1,884
Investing activities				
Payment for investment properties	(381)	(401)	(349)	(367)
Payment for investment properties under development	(805)	(1,040)	(744)	(952)
Payment for property, plant and equipment	(152)	(52)	(138)	(48)
Increase in bank deposits with maturity greater than 3 months	(174)	(33)	(160)	(30)
Other cash flows arising from investing activities	189	65	176	61
Net cash used in investing activities	(1,323)	(1,461)	(1,215)	(1,336)
Financing activities				
Proceeds from new bank loans and other borrowings	22,955	22,100	21,357	20,402
Repayment of bank loans and other borrowings	(26,064)	(19,483)	(24,264)	(17,991)
Interest and other borrowing costs paid	(942)	(1,008)	(873)	(923)
Dividend paid	(566)	(991)	(519)	(924)
Other cash flows used in financing activities	(13)	(15)	(12)	(13)
Net cash (used in)/generated from financing activities	(4,630)	603	(4,311)	551
(Decrease)/increase in cash and cash equivalents	(3,613)	1,204	(3,371)	1,099
Effect of foreign exchange rate changes	39	(16)	(160)	97
Cash and cash equivalents at January 1	10,198	5,271	9,579	4,794
Cash and cash equivalents at June 30	6,624	6,459	6,048	5,990
Analysis of the balance of cash and cash equivalents				
Cash and deposits with banks	6,905	6,573	6,304	6,094
Less: Bank deposits with maturity greater than 3 months	(281)	(114)	(256)	(104)
Cash and cash equivalents at June 30	6,624	6,459	6,048	5,990

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION

The unaudited interim financial report has been prepared in accordance with Hong Kong Accounting Standard (HKAS) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on pages 40 to 41.

The HKICPA has issued certain amendments to HKFRS Accounting Standards (HKFRSs) that are first effective for the current accounting period of the Company and its subsidiaries (collectively the "Group"). These developments have no material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements.

1. BASIS OF PREPARATION (Continued)

The presentation currency of these consolidated financial statements is Hong Kong dollar. In view of the Group's significant business operations in mainland China, management has included additional financial information prepared in Renminbi in the consolidated financial statements. Such supplementary information is prepared on the same basis as 2024 as if the presentation currency is Renminbi.

The financial information relating to the financial year ended December 31, 2024 included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended December 31, 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

2. REVENUE AND SEGMENT INFORMATION

The Group manages businesses according to the nature of services and products provided. Management has determined property leasing, property sales and hotels to be the reportable operating segments for the measurement of performance and the allocation of resources.

Segment assets principally comprise all non-current assets and current assets directly attributable to each segment with the exception of interests in joint ventures, other assets, deferred tax assets and cash and deposits with banks.

(a) Disaggregation of revenue

For the six months ended June 30, 2025

HK\$ Million	Revenue from contracts with customers (HKFRS 15)			Leases (HKFRS 16)	Total
	recognized at a point in time	recognized over time	Subtotal		
Rental income	–	–	–	4,110	4,110
Sales of completed properties	161	–	161	–	161
Hotel revenue	48	81	129	–	129
Building management fees and other income from property leasing	–	568	568	–	568
	209	649	858	4,110	4,968

For the six months ended June 30, 2024

HK\$ Million	Revenue from contracts with customers (HKFRS 15)			Leases (HKFRS 16)	Total
	recognized at a point in time	recognized over time	Subtotal		
Rental income	–	–	–	4,243	4,243
Sales of completed properties	1,228	–	1,228	–	1,228
Hotel revenue	28	42	70	–	70
Building management fees and other income from property leasing	–	573	573	–	573
	1,256	615	1,871	4,243	6,114

2. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Revenue and results by segments

HK\$ Million	2025				2024			
	Property Leasing	Property Sales	Hotels	Total	Property Leasing	Property Sales	Hotels	Total
Revenue								
– Mainland China	3,190	10	129	3,329	3,268	25	70	3,363
– Hong Kong	1,488	151	–	1,639	1,548	1,203	–	2,751
	4,678	161	129	4,968	4,816	1,228	70	6,114
Profit/(loss) from operations before changes in fair value of properties								
– Mainland China	1,988	(26)	(34)	1,928	2,026	(20)	(3)	2,003
– Hong Kong	1,067	(4)	–	1,063	1,100	9	–	1,109
	3,055	(30)	(34)	2,991	3,126	(11)	(3)	3,112
Decrease in fair value of properties	(201)	–	–	(201)	(634)	–	–	(634)
– Mainland China	(32)	–	–	(32)	(351)	–	–	(351)
– Hong Kong	(169)	–	–	(169)	(283)	–	–	(283)
Net interest expense	(477)	–	–	(477)	(429)	–	–	(429)
– Interest income	20	–	–	20	26	–	–	26
– Finance costs	(497)	–	–	(497)	(455)	–	–	(455)
Share of (loss)/profit of joint ventures	(3)	–	–	(3)	19	–	–	19
Profit/(loss) before taxation	2,374	(30)	(34)	2,310	2,082	(11)	(3)	2,068
Taxation	(1,063)	–	–	(1,063)	(718)	(11)	–	(729)
Profit/(loss) for the period	1,311	(30)	(34)	1,247	1,364	(22)	(3)	1,339
Net profit/(loss) attributable to shareholders	976	(30)	(34)	912	1,086	(22)	(3)	1,061

To conform to the information provided to the Group's most senior executive management, hotel operations were disclosed as a separate operating segment.

2. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Total segment assets

HK\$ Million	June 30, 2025				December 31, 2024			
	Property Leasing	Property Sales	Hotels	Total	Property Leasing	Property Sales	Hotels	Total
Mainland China	132,964	7,048	2,674	142,686	130,171	6,636	2,544	139,351
Hong Kong	62,621	7,839	–	70,460	62,774	7,900	–	70,674
	195,585	14,887	2,674	213,146	192,945	14,536	2,544	210,025
Interests in joint ventures				1,085				1,104
Other assets				76				76
Deferred tax assets				157				140
Cash and deposits with banks				6,905				10,303
				221,369				221,648

3. OTHER NET INCOME

HK\$ Million	2025	2024
Government grants	15	6
Gain on disposal of investment properties	27	–
Gain on disposal of property, plant and equipment	–	14
Net exchange loss	(2)	(2)
Others	5	5
	45	23

4. NET INTEREST EXPENSE

HK\$ Million	2025	2024
Interest income on bank deposits	20	26
Interest expense on bank loans and other borrowings	922	1,011
Interest on lease liabilities	6	7
Other borrowing costs	60	45
Total borrowing costs	988	1,063
Less: Borrowing costs capitalized	(491)	(608)
Finance costs	497	455
Net interest expense	(477)	(429)

5. PROFIT BEFORE TAXATION

HK\$ Million	2025	2024
Profit before taxation is arrived at after charging:		
Cost of properties sold	164	1,012
Staff costs (Note)	738	765
Depreciation	76	46

Note: The staff costs included employee share-based payments of HK\$31 million (2024: HK\$42 million). If the amounts not recognized in the statement of profit or loss, including amounts capitalized, were accounted for, staff costs would have been HK\$895 million (2024: HK\$928 million).

6. TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Provision for Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the period. Mainland China Income Tax represents mainland China Corporate Income Tax calculated at 25% (2024: 25%) and mainland China withholding income tax calculated at the applicable rates. The withholding tax rate applicable to Hong Kong companies in respect of dividend distributions from foreign investment enterprises in mainland China was 5% (2024: 5%).

HK\$ Million	2025	2024
Current tax		
Hong Kong Profits Tax	126	134
Mainland China Income Tax	441	456
Total current tax	567	590
Deferred tax		
Changes in fair value of properties	381	31
Other origination and reversal of temporary differences	115	108
Total deferred tax	496	139
Total income tax expense	1,063	729

6. TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

On May 28, 2025, the Hong Kong government enacted legislation to implement the Pillar Two Model rules (the Global Anti-Base Erosion Rules, or GloBE rules) published by the Organization for Economic Co-operation and Development (OECD). The legislation is effective on June 6, 2025, and takes retrospective effect for the Group's financial year beginning on January 1, 2025. The new legislation includes an income inclusion rule and a domestic minimum tax, which together are designed to ensure a minimum effective tax rate of 15% in each of Hong Kong and mainland China where the Group operates. The Group is in scope of the enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

Although mainland China has yet to introduce its draft legislation for implementation on the GloBE rules, the Company as the ultimate parent entity domiciled in Hong Kong will be liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the minimum effective tax rate of 15%. Based on the latest financial information, the Group has no top-up tax exposure for the six months ended June 30, 2025.

7. DIVIDENDS

(a) Interim dividend

HK\$ Million	2025	2024
Declared after the end of the reporting period:		
HK12 cents (2024: HK12 cents) per share	600	566

The dividend declared after the end of the reporting period has not been recognized as a liability at the end of the reporting period.

The Board of Directors proposes that eligible shareholders be given the option to elect to receive the interim dividend in cash, or in the form of new shares in lieu of cash in respect of part or all of such dividend (the "Scrip Dividend Arrangement"). The Scrip Dividend Arrangement is conditional upon The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to the Scrip Dividend Arrangement.

7. DIVIDENDS (Continued)

(b) Final dividend approved and paid during the six months ended June 30, 2025

HK\$ Million	2025	2024
2024 final dividend of HK40 cents (2023: HK60 cents) per share	1,913	2,699

Included in 2024 final dividend paid during the period, HK\$1,347 million was settled through scrip dividend pursuant to the Scrip Dividend Arrangement announced by the Company on January 24, 2025.

8. EARNINGS PER SHARE

(a) The calculation of basic and diluted earnings per share is based on the following data:

HK\$ Million	2025	2024
Net profit attributable to shareholders	912	1,061

	Number of shares	
	2025	2024
Weighted average number of shares used in calculating basic earnings per share	4,801,775,210	4,519,178,404
Effect of dilutive potential ordinary shares — share options	205,550	—
Weighted average number of shares used in calculating diluted earnings per share	4,801,980,760	4,519,178,404

8. EARNINGS PER SHARE (Continued)

- (b) The underlying net profit attributable to shareholders, which excluded changes in fair value of properties net of related income tax and non-controlling interests, is calculated as follows:

HK\$ Million	2025	2024
Net profit attributable to shareholders	912	1,061
Effect of changes in fair value of properties	201	634
Effect of income tax for changes in fair value of properties	381	31
Effect of changes in fair value of investment properties of joint ventures	20	1
	602	666
Non-controlling interests	73	8
	675	674
Underlying net profit attributable to shareholders	1,587	1,735

The earnings per share based on underlying net profit attributable to shareholders was:

	2025	2024
Basic	HK\$0.33	HK\$0.38
Diluted	HK\$0.33	HK\$0.38

9. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT

- (a) Additions

During the six months ended June 30, 2025, additions to investment properties and investment properties under development amounted to HK\$1,038 million (2024: HK\$1,915 million).

9. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT (Continued)

(b) Valuation

The investment properties and investment properties under development of the Group were revalued as of June 30, 2025 by Savills Valuation and Professional Services Limited, on a market value basis.

10. TRADE AND OTHER RECEIVABLES

- (a) Included in trade and other receivables are trade receivables (based on the due date) with the following aging analysis:

HK\$ Million	June 30, 2025	December 31, 2024
Not past due or less than 1 month past due	116	166
1 – 3 months past due	17	16
More than 3 months past due	3	2
	136	184

- (b) The Group maintains a defined credit policy including stringent credit evaluation on and payment of a rental deposit from tenants. In addition to the payment of rental deposits, tenants are required to pay monthly rents in respect of leased properties in advance. Receivables are regularly reviewed and closely monitored to minimize any associated credit risk.

Provision for expected credit losses was assessed and adequately made on a tenant-by-tenant basis, based on the historical default experience and forward-looking information that may impact the tenants' ability to repay the outstanding balances.

11. TRADE AND OTHER PAYABLES

- (a) Included in trade and other payables are trade creditors with the following aging analysis:

HK\$ Million	June 30, 2025	December 31, 2024
Due within 3 months	765	1,368
Due after 3 months	2,653	2,647
	3,418	4,015

- (b) Included in trade and other payables is an amount of HK\$601 million (December 31, 2024: HK\$601 million) due to a fellow subsidiary, which is the joint developer of a project in which the Group and the fellow subsidiary hold respective interests of 66.67% and 33.33%. The amount represents the contribution by the fellow subsidiary in proportion to its interest to finance the project, and is unsecured, non-interest bearing and has no fixed terms of repayment.

12. SHARE CAPITAL

	2025		2024	
	Number of shares Million	Amount of share capital HK\$ Million	Number of shares Million	Amount of share capital HK\$ Million
Ordinary shares, issued and fully paid:				
At January 1	4,784	42,051	4,499	39,950
Shares issued in respect of scrip dividend	218	1,347	285	2,101
At June 30/December 31	5,002	43,398	4,784	42,051

On June 16, 2025, the Company issued and allotted a total of 218 million ordinary shares at an issue price of HK\$6.17 per ordinary share to the shareholders who elected to receive shares in the Company in lieu of cash in respect of 2024 final dividend pursuant to the scrip dividend arrangement announced by the Company on January 24, 2025. The new ordinary shares rank pari passu in all respects with existing ordinary shares of the Company.

12. SHARE CAPITAL (Continued)

On September 25, 2024, the Company issued and allotted a total of 72 million ordinary shares at an issue price of HK\$5.516 per ordinary share to the shareholders who elected to receive shares in the Company in lieu of cash in respect of 2024 interim dividend pursuant to the scrip dividend arrangement announced by the Company on July 30, 2024. The new ordinary shares rank pari passu in all respects with existing ordinary shares of the Company.

On June 14, 2024, the Company issued and allotted a total of 213 million ordinary shares at an issue price of HK\$8.012 per ordinary share to the shareholders who elected to receive shares in the Company in lieu of cash in respect of 2023 final dividend pursuant to the scrip dividend arrangement announced by the Company on January 30, 2024. The new ordinary shares rank pari passu in all respects with existing ordinary shares of the Company.

13. SHARE OPTION SCHEMES

Pursuant to the resolutions passed by the shareholders of the Company and Hang Lung Group Limited at their respective annual general meetings held on April 27, 2022, a new share option scheme (the “2022 Share Option Scheme”) was adopted and became valid and effective on the same date for a period of 10 years. The 2022 Share Option Scheme will expire on April 26, 2032. Upon the adoption of the 2022 Share Option Scheme, the share option scheme adopted by the Company on April 18, 2012 (the “2012 Share Option Scheme”, together with the 2022 Share Option Scheme are referred to as the “Schemes”) was terminated upon its expiry. Upon termination of the 2012 Share Option Scheme, no further share options could be granted under the 2012 Share Option Scheme but in all other respects the provisions of the 2012 Share Option Scheme remain in full force and effect, and all share options granted prior to such termination and not exercised nor forfeited/lapsed at the date of termination remain valid.

The share options granted under the Schemes to the directors and employees are at nominal consideration and each share option gives the holder the right to subscribe for one share of the Company.

13. SHARE OPTION SCHEMES (Continued)

The movements of share options during the six months ended June 30, 2025 are as follows:

(a) 2012 Share Option Scheme

Date granted	Number of share options		Outstanding on June 30, 2025	Period during which share options are exercisable	Exercise price (HK\$)
	Outstanding on January 1, 2025	Forfeited/ Lapsed			
August 10, 2017	25,219,000	(735,000)	24,484,000	August 10, 2019 to August 9, 2027	19.98
May 16, 2018	10,000,000	–	10,000,000	May 16, 2020 to May 15, 2028	18.98
June 28, 2019	36,672,500	(1,789,000)	34,883,500	June 28, 2021 to June 27, 2029	18.58
May 12, 2021	49,406,000	(3,124,500)	46,281,500	May 12, 2023 to May 11, 2031	19.95
October 6, 2021	2,000,000	–	2,000,000	October 6, 2023 to October 5, 2031	17.65
February 21, 2022	52,840,000	(2,950,000)	49,890,000	February 21, 2024 to February 20, 2032	16.38
Total	176,137,500	(8,598,500)	167,539,000		

All the above share options may vest after two to five years of the grant date and are exercisable up to the tenth anniversary of the date of grant, after which they will lapse. No share options were exercised or cancelled during the six months ended June 30, 2025.

During the six months ended June 30, 2025, 8,598,500 share options (2024: 9,900,500 share options) were forfeited upon cessations of the grantees' employments and no share options (2024: Nil) lapsed due to the expiry of the period for exercising the share options.

13. SHARE OPTION SCHEMES (Continued)

(b) 2022 Share Option Scheme

Date granted	Number of share options			Outstanding on June 30, 2025	Period during which share options are exercisable	Exercise price (HK\$)
	Outstanding on January 1, 2025	Granted	Forfeited/ Lapsed			
June 28, 2023	48,124,000	–	(2,531,000)	45,593,000	June 28, 2025 to June 27, 2033	12.49
January 27, 2025	–	6,600,000	–	6,600,000	January 27, 2027 to January 26, 2035	6.21
Total	48,124,000	6,600,000	(2,531,000)	52,193,000		

All the above share options may vest after two to four years of the grant date and are exercisable up to the tenth anniversary of the date of grant, after which they will lapse. No share options were exercised or cancelled during the six months ended June 30, 2025.

During the six months ended June 30, 2025, 2,531,000 share options (2024: 3,284,000 share options) were forfeited upon cessations of the grantees' employments and no share options (2024: Nil) lapsed due to the expiry of the period for exercising the share options.

In respect of the share options granted during the six months ended June 30, 2025, the closing share price immediately before the date of grant was HK\$5.95.

The fair value of share options granted was estimated at the date of grant using the Black-Scholes pricing model taking into account the terms and conditions upon which the share options were granted. The fair value, terms and conditions, and assumptions were as follows:

Fair value at grant date	HK\$0.75
Share price at grant date	HK\$6.21
Exercise price	HK\$6.21
Risk-free interest rate	3.68%
Expected life (in years)	7
Expected volatility	31.10%
Expected dividends per share	HK\$0.52

13. SHARE OPTION SCHEMES (Continued)

(b) 2022 Share Option Scheme (Continued)

The expected volatility is based on the historical volatility and the expected dividends per share are based on historical dividends. Changes in the above assumptions could materially affect the fair value estimate.

14. RESERVES

HK\$ Million

	Other reserves				Total	Retained profits	Total reserves
	Exchange reserve	Hedging reserve	Investment revaluation reserve	Employee share-based compensation reserve			
At January 1, 2025	(7,383)	28	76	424	(6,855)	96,391	89,536
Profit for the period	-	-	-	-	-	912	912
Exchange difference arising from translation to presentation currency	1,501	-	-	-	1,501	-	1,501
Loss on net investment hedge	(210)	-	-	-	(210)	-	(210)
Cash flow hedges: net movement in hedging reserve	-	(127)	-	-	(127)	-	(127)
Total comprehensive income for the period	1,291	(127)	-	-	1,164	912	2,076
Final dividend in respect of previous year	-	-	-	-	-	(1,913)	(1,913)
Employee share-based payments	-	-	-	21	21	10	31
At June 30, 2025	(6,092)	(99)	76	445	(5,670)	95,400	89,730
At January 1, 2024	(5,448)	(23)	76	466	(4,929)	97,387	92,458
Profit for the period	-	-	-	-	-	1,061	1,061
Exchange difference arising from translation to presentation currency	(693)	-	-	-	(693)	-	(693)
Gain on net investment hedge	83	-	-	-	83	-	83
Cash flow hedges: net movement in hedging reserve	-	68	-	-	68	-	68
Net change in fair value of equity investments	-	-	1	-	1	-	1
Total comprehensive income for the period	(610)	68	1	-	(541)	1,061	520
Final dividend in respect of previous year	-	-	-	-	-	(2,699)	(2,699)
Employee share-based payments	-	-	-	34	34	8	42
At June 30, 2024	(6,058)	45	77	500	(5,436)	95,757	90,321

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair value of the Group's financial instruments is measured at the end of the reporting period on a recurring basis, categorized into a three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified and determined with reference to the observability and significance of the inputs used in the valuation technique is as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

(a) Financial assets and liabilities measured at fair value

(i) *The level of fair value hierarchy within which the fair value measurements are categorized and analyzed below:*

HK\$ Million	Fair value		Fair value measurements categorized into
	June 30, 2025	December 31, 2024	
Financial assets			
Trade and other receivables			
Interest rate swaps (cash flow hedges)	–	44	Level 2
Other assets			
Investment in equity instruments	76	76	Level 3
Financial liabilities			
Trade and other payables			
Cross currency swaps (cash flow hedges)	(8)	(8)	Level 2
Interest rate swaps (cash flow hedges)	(103)	–	Level 2

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

(i) *The level of fair value hierarchy within which the fair value measurements are categorized and analyzed below: (Continued)*

The fair value of the cross currency swaps and interest rate swaps is determined based on the amount that the Group would receive or pay to terminate the swaps at the end of the reporting period taking into account current interest rates and current creditworthiness of the swap counter-parties.

The fair value of non-publicly traded equity investments is determined by reference to the net asset value of these investments.

(ii) *Transfers of instruments between the three-level fair value hierarchy*

During the six months ended June 30, 2025, there were no transfers of instruments between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as of the end of the reporting period in which they occur.

(b) Fair value of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortized cost were not materially different from their fair values as of December 31, 2024 and June 30, 2025.

16. COMMITMENTS

At the end of the reporting period, capital commitments not provided for in the financial statements were as follows:

HK\$ Million	June 30, 2025	December 31, 2024
Contracted for	5,066	4,926
Authorized but not contracted for	7,025	8,416
	12,091	13,342

The above commitments include mainly the construction related costs to be incurred in respect of the Group's development of investment properties in various cities in mainland China.

17. REVIEW AND APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report is unaudited, but has been reviewed by the Audit Committee. It was authorized for issue by the Board of Directors on July 30, 2025.

FINANCIAL TERMS

Finance costs:	Total of interest expense on total borrowings and other borrowing costs, net of amount capitalized
Total borrowings:	Total of bank loans and other borrowings, net of unamortized other borrowing costs
Net debt:	Total borrowings net of cash and deposits with banks
Net profit attributable to shareholders:	Profit for the period (after tax) less amounts attributable to non-controlling interests
Underlying net profit attributable to shareholders:	Net profit attributable to shareholders excluding changes in fair value of properties net of related income tax and non-controlling interests

FINANCIAL RATIOS

Basic earnings per share	=	$\frac{\text{Net profit attributable to shareholders}}{\text{Weighted average number of shares in issue during the period}}$	Debt to equity	=	$\frac{\text{Total borrowings}}{\text{Total equity}}$
Net assets attributable to shareholders per share	=	$\frac{\text{Shareholders' equity}}{\text{Number of shares issued at the end of the reporting period}}$	Net debt to equity	=	$\frac{\text{Net debt}}{\text{Total equity}}$
Interest cover	=	$\frac{\text{Profit from operations before changes in fair value of properties}}{\text{Finance costs before capitalization less interest income}}$			

FINANCIAL CALENDAR

Financial period	January 1, 2025 to June 30, 2025
Announcement of interim results	July 30, 2025
Latest time for lodging transfers	4:30 p.m. on August 14, 2025
Closure of share register	August 15, 2025
Record date for interim dividend	August 15, 2025
Interim dividend payment date	September 24, 2025

SHARE LISTING

As at June 30, 2025, 5,002,011,935 shares are listed on The Stock Exchange of Hong Kong Limited. It has a sponsored American Depositary Receipt (ADR) Program in the New York market.

STOCK CODE

Hong Kong Stock Exchange: 00101
Reuters: 0101.HK
Bloomberg: 101HK
CUSIP Number/Ticker Symbol for ADR Code: 41043M104/HLPPY

SHARE INFORMATION

Share price as at June 30, 2025: HK\$7.49 per share
Market capitalization as at June 30, 2025: HK\$37.47 billion

SHARE REGISTRAR

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