恒隆集團
HANG LUNG GROUP

恒隆集團有限公司

HANG LUNG GROUP LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00010)

2024 INTERIM RESULTS

CONTENTS

恒隆集團 HANG LUNG GROUP

FINANCIAL HIGHLIGHTS

in HK$ Million (unless otherwise stated)

RESULTS

For the six months ended June 30

	2024			2023		
	Property Leasing	**Property Sales**	**Total**	Property Leasing	Property Sales	Total
Revenue	**5,151**	**1,228**	**6,379**	5,523	2	5,525
- Mainland China	**3,537**	**25**	**3,562**	3,775	-	3,775
- Hong Kong	**1,614**	**1,203**	**2,817**	1,748	2	1,750
Operating profit/(loss)	**3,624**	**(11)**	**3,613**	4,066	(32)	4,034
- Mainland China	**2,355**	**(20)**	**2,335**	2,640	(20)	2,620
- Hong Kong	**1,269**	**9**	**1,278**	1,426	(12)	1,414
Underlying net profit/(loss) attributable to shareholders	**1,294**	**(13)**	**1,281**	1,571	(11)	1,560
Net (decrease)/increase in fair value of properties attributable to shareholders	**(393)**	**-**	**(393)**	122	-	122
Net profit/(loss) attributable to shareholders	**901**	**(13)**	**888**	1,693	(11)	1,682

	At June 30, 2024	At December 31, 2023
Shareholders' equity	**95,830**	94,360
Net assets attributable to shareholders per share (HK$)	**$70.4**	$69.3

Earnings and Dividend (HK$)

	2024	2023
Earnings per share		
- Based on underlying net profit attributable to shareholders	**$0.94**	$1.15
- Based on net profit attributable to shareholders	**$0.65**	$1.24
Interim dividend per share	**$0.21**	$0.21

Financial Ratios

	At June 30, 2024	At December 31, 2023
Net debt to equity ratio	**30.2%**	28.6%
Debt to equity ratio	**34.9%**	32.7%

REVIEW OF OPERATIONS

CONSOLIDATED RESULTS

For the six months ended June 30, 2024, the total revenue of Hang Lung Group Limited (the Company) and its subsidiaries (collectively known as "the Group") increased by 15% to HK$6,379 million compared to the same period last year with the recognition of property sales revenue of HK$1,228 million (2023: HK$2 million). Due to declining luxury consumption in the Mainland, the softening of retail and office markets in Hong Kong, and the depreciation of the Renminbi (RMB), revenue from property leasing decreased by 7% to HK$5,151 million. The overall operating profit fell by 10% to HK$3,613 million.

The underlying net profit attributable to shareholders dropped by 18% to HK$1,281 million, mainly due to lower operating leasing profits and higher finance costs. The underlying earnings per share declined correspondingly to HK$0.94.

When including a net revaluation loss on properties attributable to shareholders of HK$393 million (2023: net revaluation gain of HK$122 million), the Group reported a net profit attributable to shareholders of HK$888 million (2023: HK$1,682 million). The corresponding earnings per share was HK$0.65 (2023: HK$1.24).

Revenue and Operating Profit for the Six Months Ended June 30

	Revenue			**Operating Profit/(Loss)**		
	2024	2023	Change	**2024**	2023	Change
	HK$ Million	HK$ Million		**HK$ Million**	HK$ Million	
Property Leasing	**5,151**	5,523	-7%	**3,624**	4,066	-11%
Mainland China	**3,537**	3,775	-6%	**2,355**	2,640	-11%
Hong Kong	**1,614**	1,748	-8%	**1,269**	1,426	-11%
Property Sales	**1,228**	2	N/A	**(11)**	(32)	66%
Mainland China	**25**	-	N/A	**(20)**	(20)	-
Hong Kong	**1,203**	2	N/A	**9**	(12)	N/A
Total	**6,379**	5,525	15%	**3,613**	4,034	-10%

DIVIDEND

The board of directors (the "Board") of the Company has declared an interim dividend of HK21 cents per share for 2024 (2023: HK21 cents) to be paid in cash on September 25, 2024, to shareholders whose names are listed on the register of members on August 16, 2024.

PROPERTY LEASING

The overall rental revenue decreased by 7% to HK$5,151 million for the six months ended June 30, 2024. After considering the RMB depreciation against the same period last year, the rental revenue of our Mainland portfolio retreated by 4% in RMB terms and 6% in HKD terms. Our Hong Kong portfolio recorded an 8% drop in rental revenue.

On the Mainland, our total rental revenue and tenant sales fell by 4% and 13%, respectively, in RMB terms in the first half of the year. Luxury retail consumption remained sluggish after the strong rebound in the first half of 2023, with waning momentum and softening sentiment continuing into 2024. Confidence of our tenants in our malls' leadership position in respective cities remains, the overall occupancy rate continued to rise despite the decline in sales rent. Ongoing trade mix refinement, customer-centric promotions and relevant events supported business momentum. Our offices, particularly those in Shanghai, continue to face challenges resulting from an oversupply of office premises and weak demand. To attract and engage potential tenants, we will continue to provide the highest customer service and property management standards.

Hong Kong's market experienced a slower-than-expected recovery in the first half of the year. Our rental revenue and operating profit receded by 8% and 11%, respectively. Uncertainties in the geopolitical and economic environment resulted in negative reversions of some anchor tenants in the first half of the year. Although our revenue reported a decline, the occupancy was well-managed and remained high. To increase footfall and stimulate consumer spending, we will continue to optimize our tenant mix and launch a variety of "hello Hang Lung Malls Rewards Program" incentives.

Mainland China[1]

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

	Revenue (RMB Million)		
	2024	2023	Change
Malls	**2,414**	2,496	-3%
Offices	**668**	701	-5%
Residential & Serviced Apartments	**68**	74	-8%
Hotel	**64**	62	3%
Total	**3,214**	3,333	-4%
Total in HK$ Million equivalent	***3,537***	*3,775*	*-6%*

Overall rental revenue and operating profit in RMB terms decreased by 4% and 8%, respectively. The depreciation of the RMB during the period inflated the decline to 6% and 11%, respectively, in HKD terms. Cooling consumer sentiment in the local luxury market and the rising number of outbound travelers for luxury spending were the main factors of the 3% slide in our mall revenue. Due to the soft demand for office space within a highly competitive market, our premium office portfolio dropped by 5%. Our hotel operations delivered a mild growth in revenue of 3% period-on-period due to continued increase in the number of business and leisure travels.

- *Malls*

Due to the high base comparison in the first half of 2023, when consumer sentiment swiftly rebounded in January 2023 following the lifting of COVID-19 counter-measures, the revenue of our mall portfolio for the period fell by 3% and our luxury-positioned malls retreated by 4%. Declining consumer sentiment in the luxury market continued in the first half of 2024; however as of June 2024, overall occupancy remained high. Occupancy of our sub-luxury malls continued to improve with revenue growth ranging from 1% at Parc 66 in Jinan to 15% at Riverside 66 in Tianjin.

[1] Percentage changes pertaining to the mainland China portfolio are expressed in RMB terms unless otherwise specified.

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

Name of Mall and City	Revenue (RMB Million)			Period-end Occupancy Rate		
	2024	2023	Change	**June 2024**	December 2023	June 2023
Luxury malls						
Plaza 66, Shanghai	**819**	891	-8%	**100%**	100%	100%
Grand Gateway 66, Shanghai	**589**	613	-4%	**97%**	99%	98%
Forum 66, Shenyang	**43**	50	-14%	**82%**	81%	84%
Center 66, Wuxi	**226**	226	-	**99%**	98%	99%
Olympia 66, Dalian	**144**	133	8%	**93%**	90%	89%
Spring City 66, Kunming	**152**	154	-1%	**98%**	98%	97%
Heartland 66, Wuhan	**119**	122	-2%	**83%**	82%	81%
	2,092	2,189	-4%			
Sub-luxury malls						
Palace 66, Shenyang	**80**	78	3%	**92%**	90%	86%
Parc 66, Jinan	**158**	156	1%	**92%**	93%	89%
Riverside 66, Tianjin	**84**	73	15%	**94%**	90%	80%
	322	307	5%			
Total	**2,414**	2,496	-3%			

Influenced by weakening consumer sentiment in the luxury market, particularly in Shanghai, the revenue of our luxury malls decreased by 4% in the first half of 2024, partly compensated by the growth at Olympia 66 in Dalian. Our sub-luxury malls recorded an increase of 5% in revenue period-on-period. Continual growth in occupancy and footfall was achieved, thanks to robust promotion and marketing efforts and the refinement of our tenant mix which enhance the retail offering and customer's experience.

Luxury malls

Our flagship **Plaza 66** mall in Shanghai maintained its leading position in the luxury market, with full occupancy recorded at the end of the period. Our top-tier customers remained active to purchase exclusive and luxurious products offered in the mall. Drop in revenue and tenant sales by 8% and 23%, respectively, mainly because our lower-tier customers were more cautious on luxury spending and looking for bargain from outbound travels. To solidify our market position, we continued to leverage our customer relationship management (CRM) program, HOUSE 66, to further engage loyal customers and attract new members. In April, the "Spring Wonderland" celebration was held in collaboration with international luxury brands, offering customers an enthralling shopping experience.

Our other mall in Shanghai, **Grand Gateway 66,** which offers more lifestyle content than its flagship sister, reported a decline in revenue and tenant sales of 4% and 14%, respectively, in the first half of the year. To encourage consumer engagement, marketing campaigns were launched during Chinese New Year and other festive periods. We also hosted an exclusive in-mall "Love in the Summer" event, which became the talk of the town, attracting widespread attention on social media and generating excellent foot traffic. The occupancy rate remained high at 97% at the end of the period.

Revenue and tenant sales of the **Forum 66** mall in Shenyang decreased by 14% and 20%, respectively, as market conditions stayed challenging. Collaborative marketing campaigns with Palace 66 in Shenyang generated positive synergy and enhanced customer experiences. The occupancy rate was 82% as of June 2024.

Revenue and tenant sales of **Center 66**, the leading luxury retail mall in Wuxi, remained stable. The opening of several top-tier luxury brands in late 2023 further enhanced the mall's reputation as a leading luxury destination. The mall was almost fully occupied at the end of the period.

Olympia 66 in Dalian demonstrated a remarkable transformation into a regional luxury landmark. As the mall attracted more premium brands—particularly in beauty and cosmetics—revenue and tenant sales climbed by 8% and 2%, respectively. The upgrade in retail content of trade categories such as food and beverage, athleisure, fashion and accessories, etc. also enriched our offering for one-stop shopping experience. Captivating marketing initiatives, such as the mall's signature "Blooming Dreams" event in April, continued to lift consumer sentiment. The occupancy rate grew by 4 points to 93% against the same period last year.

Stemming from a dip in consumer sentiment in Kunming, revenue and tenant sales of the **Spring City 66** mall receded by 1% and 6%, respectively. Several signature events, including the "520" festival in May, were rolled out to boost consumer engagement and footfall. Entering its fifth year of operations, the mall further enhanced its base rents and management fees while occupancy stayed high at 98%.

Against the first half of 2023, revenue and tenant sales of the **Heartland 66** mall in Wuhan reduced by 2% and 15%, respectively. In April, the mall launched various sales-driven promotional activities celebrating its third anniversary, to encourage consumption and footfall. To provide privileged shopping experiences for our HOUSE 66 members, Heartland 66's VIC lounge, The Lounge, was opened in May. The occupancy rate was 83% as of June 2024.

Sub-luxury malls

Following a series of compelling marketing initiatives, including Chinese New Year promotions and music performances, the revenue and tenant sales of **Palace 66** in Shenyang rose by 3% and 2%, respectively, during the period under review. We continued to enhance our brand mix to help expand our target customer base. The occupancy rate grew by 6 points to 92%. The upcoming food court renovations are set to improve the mall's food and beverage outlets, appealing to a boarder range of preferences and boosting footfall.

Revenue of **Parc 66** in Jinan edged up by 1% period-on-period. Multiple beauty and brand stores exclusively opened following the completion of the first phase of the mall's Asset Enhancement Initiative (AEI). The AEI's remaining phases are expected to conclude between late 2024 and early 2025, helping the rejuvenated mall continue to strengthen its long-term competitiveness and profitability. The occupancy rate climbed by 3 points to 92% against the same period last year.

Revenue and tenant sales of **Riverside 66** in Tianjin rose by 15% and 9%, respectively, period-on-period. The occupancy rate increased by 14 points to 94%. Thanks to relentless promotion activities and placemaking initiatives, such as our New Year's Eve countdown, begonia flower decorations on our centennial wall in April, a youth art festival in May, and the addition of a jewelry garden and a kids' amusement zone, we attracted more customers to the area, boosting footfall and sales.

- *Offices*

Our office portfolio continued to provide a stable source of income, comprising around 21% of our total Mainland rental revenue. As a result of robust competition in the office leasing market in Shanghai and Shenyang, the total revenue declined by 5% to RMB668 million period-on-period. Although demand for office space was low, our office towers in Wuxi continued to report a slight growth in occupancy from an upward trajectory.

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

Name of Office and City	Revenue (RMB Million)			Period-end Occupancy Rate		
	2024	2023	Change	**June 2024**	December 2023	June 2023
Plaza 66, Shanghai	**312**	335	-7%	**88%**	96%	98%
Grand Gateway 66, Shanghai	**112**	121	-7%	**87%**	86%	85%
Forum 66, Shenyang	**61**	64	-5%	**90%**	89%	86%
Center 66, Wuxi	**60**	59	2%	**89%**	85%	83%
Spring City 66, Kunming	**70**	70	-	**87%**	88%	87%
Heartland 66, Wuhan	**53**	52	2%	**68%**	76%	72%
Total	**668**	701	-5%			

The office leasing market in Shanghai faced challenges owing to an increase in the supply of office space and soft demand. Our two Grade A office towers at **Plaza 66** in Shanghai recorded a fall in revenue of 7% and a decline in the occupancy rate by 10 points to 88% against the same period last year following the expiry of a few anchor tenant leases.

Revenue of the office tower at **Grand Gateway 66** in Shanghai decreased by 7% due to the oversupply of new office premises in the district and weak market sentiment. The occupancy rate gradually picked up to 87% as of June 2024, an increase of 2 points against the same period last year.

The office tower at **Forum 66** in Shenyang experienced a dip in revenue of 5% although the occupancy rate rose by 4 points to 90% against the same period last year. Owing to a growing supply of office space and continuing soft demand, local market conditions remain challenging.

Thanks to the occupancy rate growth of 6 points to 89% against period-end June 2023, the total revenue of the two office towers at **Center 66** in Wuxi rose by 2%. Our high-quality offerings and superior services allowed us to keep our unit rents consistent during the period.

Our office tower at **Spring City 66** in Kunming maintained revenue at a stable level in the first half of 2024, benefiting from the location's premium services and facilities. Occupancy has remained steady at 87% throughout the first half of the year.

Revenue of the **Heartland 66** Office Tower in Wuhan climbed by 2% period-on-period despite the occupancy rate dropped by 4 points to 68% at the end of the reporting period. Our high specifications and easily accessible transport network differentiated us from our peers in the region amid strong competition in Wuhan. Since its opening in March 2023, our self-operated multifunctional workspace, HANGOUT, has broadened our tenant base and attracted numerous influential corporations, including Fortune 500 pharmaceutical companies and several of China's top 500 insurance companies.

- *Residential & Serviced Apartments*

Revenue from the residential and serviced apartments at Grand Gateway 66 in Shanghai dropped by 8%. Revenue generated by a higher average room rate was offset by a decline in the occupancy rate due to the departure of foreigners in the city.

- *Hotel*

Revenue grew by 3% in the first half of 2024. Our room revenue increased by 9%, benefiting from local authorities' efforts to promote business and leisure travel in the region, despite it was partially offset by the slight decline in the food and beverage business.

Hong Kong

Affected by changes in consumption and travel patterns, the first half of 2024 was another challenging period for the retail market in Hong Kong. The office market exerted downward pressure on rental prices due to an imbalance in supply and demand.

Revenue and operating profit retreated by 8% to HK$1,614 million and by 11% to HK$1,269 million, respectively, with a rental margin of 79%.

Occupancy has been well-managed and achieved a high level thanks to the ongoing refinement of our trade and brand mix to cater the preferences and behaviors of locals and tourists.

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

	Revenue (HK$ Million)			**Period-end Occupancy Rate**		
	2024	2023	Change	**June 2024**	December 2023	June 2023
Retail	**950**	1,019	-7%	**97%**	95%	97%
Offices and Industrial/Office	**563**	607	-7%	**90%**	89%	88%
Residential & Serviced Apartments	**101**	122	-17%	**73%**	77%	66%
Total	**1,614**	1,748	-8%			

- *Retail*

Revenue from our Hong Kong retail portfolio dropped by 7% to HK$950 million. To tackle changes in customer spending patterns, we will continue to refine and diversify our trade and brand mix to appeal to locals and visitors alike. The overall occupancy remained high at 97% as of the reporting date.

Amid declining market sentiment, tenant sales decreased slightly by 3%. We will continue to launch targeted marketing campaigns under the "hello Hang Lung Malls Rewards Program" to encourage consumption and footfall.

As a result of the negative rental reversions of some anchor tenants, the revenue from retail properties in our **Central Business and Tourist District Portfolio** receded by 10%. Overall occupancy remained high at 96% at the end of the reporting period.

Our **Community Mall Portfolio** was relatively resilient, with overall revenue recording a mild decline of 4% against the same period last year. As of the reporting date, occupancy at Kornhill Plaza in Hong Kong East and Amoy Plaza in Kowloon East remained strong at 98% and 95%, respectively.

- *Offices and Industrial/Office*

As a result of sluggish demand and abundant supply on Hong Kong Island, our office revenue reduced by 7% to HK$563 million following negative rental reversions. As of the reporting date, proactive measures were implemented to maintain a relatively high occupancy level of 90%.

In a challenging market environment, the revenue of our **Hong Kong Island Portfolio** recorded a 14% decline following negative rental reversions, mainly in Central; however, occupancy remained at 83%.

Revenue of our **Kowloon Portfolio** climbed by 2% with the occupancy level achieved 96% due to a more resilient semi-retail positioning of Grand Plaza and Gala Place and a strategic focus on medical businesses at Grand Centre.

- *Residential & Serviced Apartments*

Revenue of our residential and serviced apartments segment decreased by 17% period-on-period, primarily because of the necessary removal of tenants at The Summit in the Mid-Levels district for renovations beginning in September 2023. If excluding the impacts of The Summit, revenue grew by 1% period-on-period, primarily due to improvements in occupancy at Burnside Villa in Repulse Bay.

PROPERTY SALES

Revenue of HK$1,228 million was recognized for the sale of 114 residential units at The Aperture and 1 house on Blue Pool Road in Hong Kong, and 4 units at Heartland Residences in Wuhan during the reporting period. In the first half of 2023, revenue of HK$2 million was recognized for the sale of four car parking spaces. An operating loss from property sales of HK$11 million was recorded in the first half of 2024, after considering the gross profit from the sale of properties in the Mainland and Hong Kong and corresponding selling expenses, the marketing expenses for the Grand Hyatt Residences Kunming and Center Residences in Wuxi, and other operating expenditures.

As of June 30, 2024, the contracted property sales amounted to HK$385 million, comprising pre-sale of 12 units at The Aperture, 1 house on Blue Pool Road, 1 unit at Heartland Residences, and 5 units at Grand Hyatt Residences Kunming. The revenue is expected to be recognized upon sale completion.

PROPERTY REVALUATION

As of June 30, 2024, the total value of our investment properties and those under development amounted to HK$201,301 million, including the mainland China portfolio of HK$137,261 million and the Hong Kong portfolio of HK$64,040 million. These properties were appraised by Savills, an independent valuer, as of June 30, 2024.

A revaluation loss of HK$715 million was recorded (2023: gain of HK$241 million).

The mainland China portfolio recorded a revaluation loss of HK$433 million (2023: gain of HK$208 million), representing less than 1% of the portfolio value.

The Hong Kong portfolio had a revaluation loss of HK$282 million (2023: gain of HK$33 million), representing a less than 1% decrease against the value as of December 31, 2023.

Net revaluation loss after tax and non-controlling interests of HK$393 million was reported (2023: net revaluation gain of HK$122 million).

PROPERTY DEVELOPMENT AND CAPITAL COMMITMENT

The aggregated values of our projects under development for leasing and sale were HK$24,430 million and HK$7,825 million, respectively. These comprised mainland China projects in Kunming, Wuxi, Hangzhou, Shanghai and Shenyang, 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$15 billion.

Mainland China

Grand Hyatt Residences Kunming (昆明君悦居) and **Grand Hyatt Kunming** are integral components of the remaining Spring City 66 development. The Residences sit above the hotel and house 254 apartment units, including three premium penthouses. Grand Hyatt Kunming features 331 guestrooms and suites. The sales launch of the Residences commenced at the end of 2023. Completion certificates of both properties were obtained in April 2024. The opening of the Grand Hyatt Kunming is planned in the third quarter of 2024.

Center Residences (無錫恒隆府) in Wuxi and **Curio Collection by Hilton**, a lifestyle boutique hotel, form the Phase 2 development of Center 66. The Residences comprise two high-rise residential towers housing 573 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. Construction is on track with topping-out occurring in December 2023. The project is scheduled for completion in phases from 2025 onwards. The Center Residences pre-sale is subject to market conditions, while the opening of Curio Collection by Hilton is slated for the second half of 2025.

Westlake 66 in Hangzhou is an integrated high-end commercial development comprising a retail podium, five Grade A office towers, and a luxury hotel: **Mandarin Oriental Hangzhou**. Featuring more than 190 premium guestrooms and suites, the hotel is expected to open in the second half of 2026. The remaining sections of the development are scheduled for completion in phases from 2025 onwards. Westlake 66 recently won the Gold Award in the “Best New Mega

Development" Category at the MIPIM Asia Awards 2023 in recognition of its ingenious blend of Hangzhou's urban cultural heritage with the intricate details and sophisticated aesthetic of modern architecture.

To enhance our offering at **Plaza 66** in Shanghai, we have obtained approval from the local government to utilize an existing landscape area to build a retail structure, with a gross floor area of approximately 3,000 square meters. Expected to be completed in 2026, the development will provide customers with a more comprehensive shopping experience and further strengthen the mall's leading position in the city.

Design and planning works of the remaining mixed-use development of **Forum 66** in Shenyang are ongoing.

Hong Kong

The construction of The Aperture was completed in the first half of 2024. The residential and retail portions were classified as completed properties held for sale and investment properties, respectively.

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 luxurious detached houses, and the general building plan was approved in August 2022. Demolition work is expected to commence in the second half of 2024.

FINANCING MANAGEMENT

We have maintained 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 the Group from any unexpected external economic shocks. All financial risk management, including debt refinancing, foreign exchange exposure, and interest rate volatility, is centrally managed and controlled at the corporate level.

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 risks.

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

As part of our environmental, social and governance (ESG) initiatives, the Group continues to make more use of sustainable finance. During the first half of 2024, we issued green bonds worth RMB0.8 billion and obtained RMB1.9 billion in green loan facilities and HK$3.2 billion in sustainability-linked loan facilities. These are collectively referred to sustainable finance, which now accounts for 60% of our total debts and available facilities as of June 30, 2024.

- *Cash Management*

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

	At June 30, 2024		At December 31, 2023	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Denominated in:				
HKD	**4,340**	*60%*	3,798	*60%*
RMB	**2,877**	*40%*	2,370	*37%*
USD	**1**	-	175	*3%*
Total cash and bank balances	**7,218**	*100%*	6,343	*100%*

All deposits are placed with banks carrying strong credit ratings. Counterparty risk is routinely monitored.

- *Debt Portfolio*

At the balance sheet date, total borrowings amounted to HK$53,715 million (December 31, 2023: HK$50,693 million), of which 35% 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 41% of total borrowings as of June 30, 2024. After excluding the onshore floating-rate debts, the percentage of fixed-rate borrowings would be 55% of total offshore borrowings as of June 30, 2024 (December 31, 2023: 50%).

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

(i) by currency (after currency swap):

	At June 30, 2024		At December 31, 2023	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Denominated in:				
HKD	**34,964**	*65%*	35,909	*71%*
RMB	**18,751**	*35%*	14,784	*29%*
Total borrowings	**53,715**	*100%*	50,693	*100%*

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

	At June 30, 2024		At December 31, 2023	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Fixed	**21,821**	*41%*	18,576	*37%*
Floating	**31,894**	*59%*	32,117	*63%*
Total borrowings	**53,715**	*100%*	50,693	*100%*

- *Gearing Ratios*

At the balance sheet date, the net debt balance amounted to HK$46,497 million (December 31, 2023: HK$44,350 million). The net debt to equity ratio was 30.2% (December 31, 2023: 28.6%), and the debt to equity ratio was 34.9% (December 31, 2023: 32.7%). The increase in net debt to equity ratio was largely due to the increase in borrowings primarily used for capital expenditures in both mainland China and Hong Kong.

Excluding the balances of Hang Lung Properties Limited and its subsidiaries (collectively known as "Hang Lung Properties"), the Company and its other subsidiaries had a net cash balance of HK$159 million (December 31, 2023: HK$1,002 million).

- *Maturity Profile and Refinancing*

At the balance sheet date, the average tenure of our debt portfolio was 3.0 years (December 31, 2023: 3.0 years). The maturity profile was staggered over more than 12 years. Around 65% of our outstanding debt would be repayable after 2 years.

	At June 30, 2024		At December 31, 2023	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Repayable:				
Within 1 year	**6,011**	*11%*	4,434	*9%*
After 1 but within 2 years	**12,672**	*24%*	14,091	*28%*
After 2 but within 5 years	**31,540**	*59%*	27,768	*55%*
Over 5 years	**3,492**	*6%*	4,400	*8%*
Total borrowings	**53,715**	*100%*	50,693	*100%*

As of June 30, 2024, total undrawn committed banking facilities amounted to HK$15,605 million (December 31, 2023: HK$18,567 million). The available balances of the US$4 billion (December 31, 2023: US$4 billion) medium-term note program amounted to US$2,107 million, equivalent to HK$16,452 million (December 31, 2023: HK$17,584 million).

Excluding the balances of Hang Lung Properties, the undrawn committed banking facilities of the Company and its other subsidiaries amounted to HK$1,350 million (December 31, 2023: HK$2,850 million).

- *Net Finance Costs and Interest Cover*

For the first half of 2024, gross finance costs rose by 19% to HK$1,069 million following the higher average effective cost of borrowing of 4.4% (2023: 4.0%) (attributed to the higher interest rate environment) and the increase in borrowings primarily for capital expenditure.

The net amount charged to the statement of profit or loss (after excluding capitalized amounts) increased to HK$461 million accordingly.

Interest cover for the six months of 2024 was 3.2 times (2023: 4.4 times).

- *Foreign Exchange Management*

The primary exchange rate risk that we are exposed to is RMB fluctuations. Such RMB 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, 2024, net assets denominated in RMB accounted for approximately 69% of our total net assets. RMB depreciated against the HKD by 0.7% compared to that as of December 31, 2023. The translation of these net assets from RMB into HKD at the exchange rate as of the reporting date resulted in a translation loss of HK$725 million (2023: loss of HK$3,576 million), recognized in other comprehensive income/exchange reserve.

- *Charge of Assets*

None of the Group's assets was charged to third parties as of June 30, 2024.

- *Contingent Liabilities*

The Group had no material contingent liabilities as of June 30, 2024.

CORPORATE INITIATIVES

Renewable Energy Powers 50% of Hang Lung's Mainland Properties

With power purchase agreements effective from April 1, 2024, half of Hang Lung's operating properties in mainland China are now powered by renewable energy. This remarkable milestone in Hang Lung's sustainability journey benefits five properties across four cities, including Plaza 66 and Grand Gateway 66 in Shanghai, Center 66 in Wuxi, Spring City 66 in Kunming, and Parc 66 in Jinan. Hang Lung is already set to go well beyond its 2025 sustainability target of 25% renewable energy for the Mainland portfolio.

Tenant Partnership Program Celebrates Sustainability Efforts

Launched in December 2023, Hang Lung's Changemakers: Tenant Partnerships on Sustainability program fosters collaboration between landlords and tenants to address sustainability challenges that affect our properties, occupants, and communities in Hong Kong and mainland China. Open to all tenants, the program recognizes efforts to reduce carbon emissions, minimize waste, advance circularity, and enhance community wellbeing.

Altogether 16 Hong Kong and Mainland tenants across 14 properties are participating in the program's pilot phase, covering a combined leased area of more than 78,000 square meters. Our participating tenants include local and multinational companies across various industries, including banking and finance, luxury retail, lifestyle retail, food and beverage, and technology.

Hang Lung Supports Dementia Patients and Their Carers

Hang Lung's three-year "Love·No·Limit" Dementia Friendly Program returned for a second edition in June 2024. Seeking to create a diverse and inclusive community, the program offers respite for elderly people with dementia, including leisure activities for carers and cognitive training for patients. Amoy Plaza is not only the first shopping mall in Hong Kong with Carer Cafés in partnership with food and beverage tenants, but also the site of a dedicated station for free cognitive assessments and referrals plus carer consultations.

OUTLOOK

An uncertain and complicated macroeconomic environment follows us into the second half of 2024. High interest rate environment would persist but the transition to a downward trend is expected to improve the sentiment of global economy. The Mainland and Hong Kong governments have embarked on numerous stimulus measures to stimulate consumer confidence and business momentum, for which signs of recovery are yet to be seen. We will continue enhancing our operational flexibility to successfully navigate economic downturns.

In mainland China, despite economic headwinds, wealthy consumers are now seeking exclusive shopping experiences in addition to luxury items. We welcomed our second VIC lounge at Heartland 66 in Wuhan during May 2024, following the success of our first location at Plaza 66 in Shanghai. A third VIC lounge at Spring City 66 in Kunming is expected to open by the end of the year. We remain committed to engaging our top-tier customers with outstanding services and leveraging our portfolio-wide HOUSE 66 CRM program to bolster shopper loyalty. Efforts to refine the tenant mix at our sub-luxury malls are paying off as occupancy and foot traffic start to increase. Despite setbacks for our office portfolio during this challenging time, our Grade A office premises in central downtown areas will draw high-quality tenants when business confidence returns.

Hong Kong continues grappling with a persistent drop in consumer sentiment, stiff competition from mega malls in neighboring regions, and shifting tourism spending patterns. Themed promotions and improved in-store experiences and interactions with loyal customers through our "hello Hang Lung Malls Rewards Program" will offset a conservative outlook for retail performance in the second half of 2024. Given current market conditions, demand for office leasing is expected to remain soft for the rest of the year.

Subject to market conditions, we will continue the rollout of Hang Lung Residence, our premium serviced residences in mainland China, which comprises Heartland Residences in Wuhan, Grand Hyatt Residences in Kunming, and Center Residences in Wuxi. Our exceptional product quality and premium management services set us apart from our peers to attract discerning customers when the economy improves.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (UNAUDITED)

	Note	2024 HK$ Million	2023 HK$ Million	2024 RMB Million	2023 RMB Million
				For information purpose only	
Revenue	2(a)	**6,379**	5,525	**5,846**	4,881
Direct costs and operating expenses		**(2,766)**	(1,491)	**(2,544)**	(1,317)
		3,613	4,034	**3,302**	3,564
Other net income	3	**19**	15	**17**	13
Administrative expenses		**(346)**	(339)	**(319)**	(299)
Profit from operations before changes in fair value of properties		**3,286**	3,710	**3,000**	3,278
(Decrease)/increase in fair value of properties		**(715)**	241	**(657)**	220
Profit from operations after changes in fair value of properties		**2,571**	3,951	**2,343**	3,498
Interest income		**40**	50	**36**	44
Finance costs		**(461)**	(315)	**(424)**	(279)
Net interest expense	4	**(421)**	(265)	**(388)**	(235)
Share of profits of joint ventures		**132**	70	**122**	62
Profit before taxation	5	**2,282**	3,756	**2,077**	3,325
Taxation	6	**(756)**	(847)	**(688)**	(749)
Profit for the period	2(b)	**1,526**	2,909	**1,389**	2,576
Attributable to:					
Shareholders		**888**	1,682	**807**	1,490
Non-controlling interests		**638**	1,227	**582**	1,086
Profit for the period		**1,526**	2,909	**1,389**	2,576
Earnings per share	8(a)				
Basic		**HK$0.65**	HK$1.24	**RMB0.59**	RMB1.09
Diluted		**HK$0.65**	HK$1.24	**RMB0.59**	RMB1.09

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2024 (UNAUDITED)

			For information purpose only	
	2024 HK$ Million	2023 HK$ Million	**2024 RMB Million**	2023 RMB Million
Profit for the period	**1,526**	2,909	**1,389**	2,576
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	**(808)**	(3,580)	**992**	1,364
Gain on net investment hedge	**83**	4	**76**	4
Movement in hedging reserve:				
Effective portion of changes in fair value	**114**	77	**106**	69
Net amount transferred to profit or loss	**(34)**	(48)	**(32)**	(42)
Deferred tax	**(12)**	(7)	**(11)**	(6)
Item that will not be reclassified to profit or loss:				
Net change in fair value of equity investments	**1**	1	**1**	1
Other comprehensive income for the period, net of tax	**(656)**	(3,553)	**1,132**	1,390
Total comprehensive income for the period	**870**	(644)	**2,521**	3,966
Attributable to:				
Shareholders	**502**	(390)	**1,509**	2,388
Non-controlling interests	**368**	(254)	**1,012**	1,578
Total comprehensive income for the period	**870**	(644)	**2,521**	3,966

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2024

	Note	**(Unaudited) June 30, 2024 HK$ Million**	(Audited) December 31, 2023 HK$ Million	*For information purpose only* **June 30, 2024 RMB Million**	*For information purpose only* December 31, 2023 RMB Million
Non-current assets					
Property, plant and equipment					
Investment properties	9	**176,871**	177,458	**162,869**	161,144
Investment properties under development	9	**24,430**	23,610	**22,297**	21,398
Other property, plant and equipment		**324**	328	**298**	298
		201,625	201,396	**185,464**	182,840
Interests in joint ventures		**4,511**	4,450	**4,219**	4,056
Other assets		**1,434**	1,433	**1,341**	1,306
Deferred tax assets		**142**	145	**133**	132
		207,712	207,424	**191,157**	188,334
Current assets					
Cash and deposits with banks		**7,218**	6,343	**6,686**	5,768
Trade and other receivables	10	**3,939**	3,441	**3,638**	3,125
Properties for sale		**13,822**	14,244	**12,774**	12,948
		24,979	24,028	**23,098**	21,841
Current liabilities					
Bank loans and other borrowings		**6,011**	4,434	**5,576**	4,029
Trade and other payables	11	**9,456**	10,136	**8,691**	9,200
Lease liabilities		**27**	30	**25**	27
Current tax payable		**436**	479	**402**	435
		15,930	15,079	**14,694**	13,691
Net current assets		**9,049**	8,949	**8,404**	8,150
Total assets less current liabilities		**216,761**	216,373	**199,561**	196,484
Non-current liabilities					
Bank loans and other borrowings		**47,704**	46,259	**44,342**	42,100
Lease liabilities		**241**	248	**220**	225
Deferred tax liabilities		**14,990**	14,950	**13,695**	13,551
		62,935	61,457	**58,257**	55,876
NET ASSETS		**153,826**	154,916	**141,304**	140,608
Capital and reserves					
Share capital		**4,065**	4,065	**3,164**	3,164
Reserves		**91,765**	90,295	**84,927**	82,497
Shareholders' equity		**95,830**	94,360	**88,091**	85,661
Non-controlling interests		**57,996**	60,556	**53,213**	54,947
TOTAL EQUITY		**153,826**	154,916	**141,304**	140,608

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The interim results set out in the announcement do not constitute the interim report for the six months ended June 30, 2024 of Hang Lung Group Limited (the “Company”) and its subsidiaries (collectively the “Group”) but are extracted from the report.

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 HKICPA has issued certain amendments to Hong Kong Financial Reporting Standards (HKFRSs) that are first effective for the current accounting period of 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 the announcement. 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 2023 annual financial statements.

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 2023 as if the presentation currency is Renminbi.

1. BASIS OF PREPARATION (Continued)

The financial information relating to the financial year ended December 31, 2023 included in this announcement of interim results 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, 2023 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 and property sales 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

Revenue for the six months ended June 30, 2024 is analyzed as follows:

HK$ Million	**2024**	2023
Under the scope of HKFRS 16, *Leases*:		
Rental income	**4,464**	4,824
Under the scope of HKFRS 15, *Revenue from contracts with customers*:		
Sales of completed properties	**1,228**	2
Building management fees and other income from property leasing	**687**	699
	1,915	701
	6,379	5,525

2. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Revenue and results by segments

HK$ Million	2024			2023		
	Property Leasing	**Property Sales**	**Total**	Property Leasing	Property Sales	Total
Revenue						
- Mainland China	**3,537**	**25**	**3,562**	3,775	-	3,775
- Hong Kong	**1,614**	**1,203**	**2,817**	1,748	2	1,750
	5,151	**1,228**	**6,379**	5,523	2	5,525
Profit/(loss) from operations before changes in fair value of properties						
- Mainland China	**2,150**	**(20)**	**2,130**	2,424	(20)	2,404
- Hong Kong	**1,147**	**9**	**1,156**	1,307	(1)	1,306
	3,297	**(11)**	**3,286**	3,731	(21)	3,710
(Decrease)/increase in fair value of properties	**(715)**	**-**	**(715)**	241	-	241
- Mainland China	**(433)**	**-**	**(433)**	208	-	208
- Hong Kong	**(282)**	**-**	**(282)**	33	-	33
Net interest expense	**(421)**	**-**	**(421)**	(265)	-	(265)
- Interest income	**40**	**-**	**40**	50	-	50
- Finance costs	**(461)**	**-**	**(461)**	(315)	-	(315)
Share of profits of joint ventures	**132**	**-**	**132**	70	-	70
Profit/(loss) before taxation	**2,293**	**(11)**	**2,282**	3,777	(21)	3,756
Taxation	**(745)**	**(11)**	**(756)**	(849)	2	(847)
Profit/(loss) for the period	**1,548**	**(22)**	**1,526**	2,928	(19)	2,909
Net profit/(loss) attributable to shareholders	**901**	**(13)**	**888**	1,693	(11)	1,682

2. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Total segment assets

HK$ Million	June 30, 2024			December 31, 2023		
	Property Leasing	**Property Sales**	**Total**	Property Leasing	Property Sales	Total
Mainland China	**139,553**	**6,769**	**146,322**	139,913	6,452	146,365
Hong Kong	**64,426**	**8,638**	**73,064**	63,965	8,751	72,716
	203,979	**15,407**	**219,386**	203,878	15,203	219,081
Interests in joint ventures			**4,511**			4,450
Other assets			**1,434**			1,433
Deferred tax assets			**142**			145
Cash and deposits with banks			**7,218**			6,343
			232,691			231,452

3. OTHER NET INCOME

HK$ Million	**2024**	2023
Government grants	**6**	5
Gain/(loss) on disposal of other property, plant and equipment	**14**	(11)
Net exchange (loss)/gain	**(2)**	9
Gain on disposal of investment properties	**-**	11
Others	**1**	1
	19	15

4. NET INTEREST EXPENSE

HK$ Million	**2024**	2023
Interest income on bank deposits	**40**	50
Interest expense on bank loans and other borrowings	**1,012**	843
Interest on lease liabilities	**7**	7
Other borrowing costs	**50**	47
Total borrowing costs	**1,069**	897
Less: Borrowing costs capitalized	**(608)**	(582)
Finance costs	**461**	315
Net interest expense	**(421)**	(265)

5. PROFIT BEFORE TAXATION

HK$ Million	**2024**	2023
Profit before taxation is arrived at after charging:		
Cost of properties sold	**1,012**	-
Staff costs (Note)	**783**	797
Depreciation	**46**	46

Note: The staff costs included employee share-based payments of HK$42 million (2023: HK$40 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$936 million (2023: HK$950 million).

6. TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Provision for Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the period. Mainland China Income Tax represents mainland China Corporate Income Tax calculated at 25% (2023: 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% (2023: 5%).

HK$ Million	**2024**	2023
Current tax		
Hong Kong Profits Tax	**139**	160
Mainland China Income Tax	**486**	481
Total current tax	**625**	641
Deferred tax		
Changes in fair value of properties	**12**	41
Other origination and reversal of temporary differences	**119**	165
Total deferred tax	**131**	206
Total income tax expense	**756**	847

7. DIVIDENDS

(a) Interim dividend

HK$ Million	**2024**	2023
Declared after the end of the reporting period:		
HK21 cents (2023: HK21 cents) per share	**286**	286

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

(b) Final dividend approved and paid during the six months ended June 30, 2024

HK$ Million	**2024**	2023
2023 final dividend of HK65 cents		
(2022: HK65 cents) per share	**885**	885

8. EARNINGS PER SHARE

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

HK$ Million	**2024**	2023
Net profit attributable to shareholders	**888**	1,682

	Number of shares	
	2024	2023
Weighted average number of shares used in calculating basic and diluted earnings per share (Note)	**1,361,618,242**	1,361,618,242

Note: Diluted earnings per share was the same as the basic earnings per share for the periods as there were no dilutive potential ordinary shares in existence during both periods.

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	**2024**	2023
Net profit attributable to shareholders	**888**	1,682
Effect of changes in fair value of properties	**715**	(241)
Effect of income tax for changes in fair value of properties	**12**	41
Effect of changes in fair value of investment properties of joint ventures	**(71)**	(2)
	656	(202)
Non-controlling interests	**(263)**	80
	393	(122)
Underlying net profit attributable to shareholders	**1,281**	1,560

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

	2024	2023
Basic	**HK$0.94**	HK$1.15
Diluted	**HK$0.94**	HK$1.15

9. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT

(a) Additions

During the six months ended June 30, 2024, additions to investment properties and investment properties under development amounted to HK$1,925 million (2023: HK$1,591 million).

(b) Valuation

The investment properties and investment properties under development of the Group were revalued as of June 30, 2024 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, 2024**	December 31, 2023
Not past due or less than 1 month past due	**727**	139
1 – 3 months past due	**18**	9
More than 3 months past due	**3**	2
	748	150

(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.

(c) Included in "other receivables" of the Group is a deposit of land acquisition in mainland China of HK$274 million (December 31, 2023: HK$276 million).

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade creditors with the following aging analysis:

HK$ Million	**June 30, 2024**	December 31, 2023
Due within 3 months	**1,408**	2,123
Due after 3 months	**2,859**	2,305
	4,267	4,428

OTHER INFORMATION

Employees

As of June 30, 2024, the number of employees was 4,141 (comprising 936 Hong Kong employees and 3,205 mainland China employees). The total employee costs for the six months ended June 30, 2024, amounted to HK$936 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 Group also has a share option scheme and provides professional and high-quality training for employees.

Purchase, Sale or Redemption of Listed Securities

During the six months ended June 30, 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

Compliance with Corporate Governance Code

During the six months ended June 30, 2024, the Company complied with the code provisions set out in the Corporate Governance Code as stated in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Review of Interim Results

The interim results for the six months ended June 30, 2024, have been reviewed by the Company's Audit Committee and auditor, KPMG.

Book Close Date

For ascertaining shareholders' entitlement to the interim dividend

Book close date	August 16, 2024
Latest time to lodge transfers	4:30 pm on August 15, 2024
Record date	August 16, 2024
Payment date for interim dividend	September 25, 2024

For the purpose of ascertaining shareholders' entitlement to the interim dividend, the register of members will be closed on Friday, August 16, 2024, on which no share transfers will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, August 15, 2024.

On Behalf of the Board
Adriel Chan
Chair

Hong Kong, July 30, 2024

GLOSSARY

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