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恒隆地產
HANG LUNG PROPERTIES

恒隆地產有限公司

HANG LUNG PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00101)

2024 ANNUAL RESULTS

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FINANCIAL HIGHLIGHTS

RESULTS

	2024 (HK$ Million)				2023 (HK$ Million)			
	Property Leasing	**Property Sales**	**Hotels**	**Total**	Property Leasing	Property Sales	Hotels	Total
Revenue	**9,515**	**1,538**	**189**	**11,242**	10,162	-	154	10,316
- Mainland China	**6,466**	**56**	**189**	**6,711**	6,813	-	154	6,967
- Hong Kong	**3,049**	**1,482**	**-**	**4,531**	3,349	-	-	3,349
Operating profit/(loss)	**6,763**	**(245)**	**(63)**	**6,455**	7,440	(52)	1	7,389
- Mainland China	**4,385**	**(197)**	**(63)**	**4,125**	4,748	(44)	1	4,705
- Hong Kong	**2,378**	**(48)**	**-**	**2,330**	2,692	(8)	-	2,684
Underlying net profit/(loss) attributable to shareholders	**3,422**	**(264)**	**(63)**	**3,095**	4,176	(40)	1	4,137
Net decrease in fair value of properties attributable to shareholders	**(942)**	**-**	**-**	**(942)**	(167)	-	-	(167)
Net profit/(loss) attributable to shareholders	**2,480**	**(264)**	**(63)**	**2,153**	4,009	(40)	1	3,970

	At December 31, 2024	At December 31, 2023
Shareholders' equity (HK$ Million)	**131,587**	132,408
Net assets attributable to shareholders per share (HK$)	**$27.5**	$29.4

Earnings and Dividends (HK$)

	2024	2023
Earnings per share		
- Based on underlying net profit attributable to shareholders	**$0.67**	$0.92
- Based on net profit attributable to shareholders	**$0.46**	$0.88
Dividends per share	**$0.52**	$0.78
- Interim	**$0.12**	$0.18
- Final	**$0.40**	$0.60

Financial Ratios

	2024	2023
Payout ratio (based on net profit attributable to shareholders)		
- Total	**115%**	88%
- Property leasing	**100%**	88%
- Property leasing (after deducting amount of interest capitalized)	**149%**	107%
Payout ratio (based on underlying net profit attributable to shareholders)		
- Total	**80%**	85%
- Property leasing	**72%**	84%
- Property leasing (after deducting amount of interest capitalized)	**95%**	102%

	At December 31, 2024	At December 31, 2023
Net debt to equity ratio	**33.4%**	31.9%
Debt to equity ratio	**40.7%**	35.7%

REVIEW OF OPERATIONS

CONSOLIDATED RESULTS

The total revenue of Hang Lung Properties Limited (the "Company") and its subsidiaries (collectively known as "Hang Lung Properties") for the year ended December 31, 2024 was HK$11,242 million, representing a 9% increase against last year when including property sales revenue of HK$1,538 million (2023: Nil). The overall operating profit dropped by 13% to HK$6,455 million. Revenue and operating profit from property leasing decreased by 6% to HK$9,515 million and 9% to HK$6,763 million, respectively, due to the sluggish retail and office rental markets in both Hong Kong and mainland China.

The underlying net profit attributable to shareholders retreated by 25% to HK$3,095 million, mainly attributable to lower operating leasing profits and higher finance costs. The underlying earnings per share fell correspondingly to HK$0.67.

Hang Lung Properties reported a net profit attributable to shareholders of HK$2,153 million (2023: HK$3,970 million) when including a net revaluation loss on properties attributable to shareholders of HK$942 million (2023: net revaluation loss of HK$167 million). The corresponding earnings per share was HK$0.46 (2023: HK$0.88).

Revenue and Operating Profit

	Revenue			**Operating Profit/(Loss)**		
	2024	2023	Change	**2024**	2023	Change
	HK$ Million	HK$ Million		**HK$ Million**	HK$ Million	
Property Leasing	**9,515**	10,162	-6%	**6,763**	7,440	-9%
Mainland China	**6,466**	6,813	-5%	**4,385**	4,748	-8%
Hong Kong	**3,049**	3,349	-9%	**2,378**	2,692	-12%
Property Sales	**1,538**	-	N/A	**(245)**	(52)	-371%
Mainland China	**56**	-	N/A	**(197)**	(44)	-348%
Hong Kong	**1,482**	-	N/A	**(48)**	(8)	-500%
Hotels (Mainland China)	**189**	154	23%	**(63)**	1	N/A
Total	**11,242**	10,316	9%	**6,455**	7,389	-13%

DIVIDEND

The board of directors (the "Board") of the Company has recommended a final dividend of HK40 cents per share for 2024 (2023: HK60 cents) to shareholders whose names are listed on the register of members of the Company on May 9, 2025. Together with an interim dividend of HK12 cents per share (2023: HK18 cents), the full-year dividends for 2024 amounted to HK52 cents per share (2023: HK78 cents).

The Board proposes that eligible shareholders be given the option to elect to receive the final 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: (1) the granting of a general mandate by the shareholders of the Company to the Board to allot, issue and deal with such additional shares of the Company representing 20% of the number of shares in issue on the date of passing such resolution at the Annual General Meeting to be held on April 30, 2025 (the "AGM"); (2) the approval of the proposed final dividend at the AGM; and (3) 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 is expected to be despatched to the eligible shareholders on or about May 19, 2025. It is expected that the final dividend warrants and the share certificates to be issued under the Scrip Dividend Arrangement will be despatched to the shareholders on or about June 16, 2025.

PROPERTY LEASING

For the year ended December 31, 2024, the overall rental revenue decreased by 6% to HK$9,515 million. Rental revenue of our Mainland portfolio dropped by 4% in Renminbi (RMB) terms and 5% in HKD terms after considering the RMB depreciation against last year. Hong Kong portfolio recorded a 9% decline in rental revenue.

On the Mainland, consumer confidence has been affected by lackluster local economic conditions as well as geopolitical tensions and weakened global economy. While the recent stimulus measures introduced by the Chinese Central Government seek to bolster the economic outlook, the extent to which they will boost the overall economy remains uncertain. In comparison to last year, overall rental revenue and tenant sales from our mall portfolio dropped by 3% and 14%, respectively, when measured in RMB terms. Nevertheless, we achieved higher occupancy rates by optimizing our tenant mix and executing effective marketing strategies, including exclusive events and collaborations with high-end brands together with HOUSE 66—our customer relationship management (CRM) program—to provide distinctive shopping experiences to our customers. Office portfolio is encountering pressures due to limited demand and intense market competition. However, we managed to keep occupancy levels stable while upholding superior management service standards.

In Hong Kong, retail sales stayed soft as a result of evolving spending habits among visitors and the rising frequency of outbound travel by local residents. Compared to last year, our retail portfolio's overall rental revenue and tenant sales retreated by 10% and 4%, respectively. Occupancy levels were well-managed and remained high as we refined the tenant mix and initiated various promotional campaigns through our "hello Hang Lung Malls Rewards Program" to reinforce customer loyalty. The office market faces ongoing challenges amid global economic uncertainties and high interest rate environment, causing companies to be cautious about business expansion. Nonetheless, occupancy levels of our office portfolio remained stable due to proactive strategies on tenant retention.

Mainland China[1]

Property Leasing – Mainland China Portfolio

	Revenue (RMB Million)		
	2024	2023[2]	Change
Malls	**4,805**	4,963	-3%
Offices	**1,095**	1,161	-6%
Total	**5,900**	6,124	-4%
Total in HK$ Million equivalent	***6,466***	*6,813*	*-5%*

Overall rental revenue and operating profit in RMB terms declined by 4% and 6%, respectively. The depreciation of the RMB during the year inflated these declines to 5% and 8%, respectively, in HKD terms. The decrease in our malls' revenue was mainly due to softened consumer sentiment in local market and an increase in outbound travelling. Our premium office portfolio fell by 6%, primarily because of the reduced demand for office spaces in a highly competitive environment.

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

[2] Revenue from hotel operations is presented separately and not grouped under property leasing starting in 2024. Revenue for 2023 has been reclassified accordingly for comparison purposes. This change in presentation has no impact on the reported revenue for 2023.

- *Malls*

Revenue from our malls dropped by 3%, while our luxury-positioned mall portfolio declined by 4%, mainly due to reduced sales rents amid weakened consumer sentiment in the luxury market and intense price promotions from competitors in some cities. However, overall occupancy as of December 2024 remained high and demonstrated mild growth while foot traffic is stable. Our sub-luxury malls maintained a healthy growth in revenue of 4%, ranging from 1% at Parc 66 in Jinan to 12% at Riverside 66 in Tianjin as occupancy continued to increase.

Property Leasing – Mainland China Mall Portfolio

Name of Mall and City	**Revenue** (RMB Million)			**Year-End Occupancy Rate**	
	2024	2023	Change	**2024**	2023
Luxury malls					
Plaza 66, Shanghai	**1,648**	1,755	-6%	**99%**	100%
Grand Gateway 66, Shanghai	**1,172**	1,213	-3%	**99%**	99%
Forum 66, Shenyang	**81**	96	-16%	**87%**	81%
Center 66, Wuxi	**456**	446	2%	**99%**	98%
Olympia 66, Dalian	**295**	272	8%	**94%**	90%
Spring City 66, Kunming	**300**	305	-2%	**98%**	98%
Heartland 66, Wuhan	**203**	251	-19%	**85%**	82%
	4,155	4,338	-4%		
Sub-luxury malls					
Palace 66, Shenyang	**163**	158	3%	**94%**	90%
Parc 66, Jinan	**317**	315	1%	**93%**	93%
Riverside 66, Tianjin	**170**	152	12%	**95%**	90%
	650	625	4%		
Total	**4,805**	4,963	-3%		

Luxury malls

Our flagship **Plaza 66** mall in Shanghai recorded a drop of 6% in revenue and 22% in tenant sales from a high base, respectively, primarily because of our lower-tier customers exercised greater caution in high-end spending and searched for bargains internationally, whereas our top-tier customers continued to be engaged with exclusive premium products offered at the mall. While refining our luxury leadership, we successfully opened several new stores, which marked the brands' first presence on the Mainland and even Asia. We also hosted a variety of enthralling events, such as the "Spring Wonderland" celebration in April and our well-received signature event, the "HOME TO LUXURY" party, to deepen engagement with loyal customers and attract new members, reinforcing our leading position in Shanghai and on the Mainland. The occupancy rate stayed high at 99% at the end of the year.

Another mall in Shanghai, **Grand Gateway 66,** which offers more lifestyle-focused content than its flagship sister, reported a fall in revenue and tenant sales of 3% and 12%, respectively. An array of diverse marketing initiatives was rolled out during the year to increase foot traffic, including an exclusive in-mall event in May, "Love in the Summer", which achieved successful viral presence on social media. We also held a grand party titled "Gateway to Inspiration" in late October, showcasing various entertainment and sales-driven activities that included celebrities and extensive collaborations with tenants. The occupancy rate remained high at 99% at the end of the year.

Revenue and tenant sales at the **Forum 66** mall fell by 16% and 25%, respectively. The repositioning of the mall is undergoing to enhance the lifestyle offerings and food and beverage options in light of the competitive landscape. At the end of the year, the occupancy rate stood at 87%.

Center 66, the premier luxury retail mall in Wuxi, achieved revenue growth of 2% despite a slight decline in tenant sales of 3%. The introduction of several top-tier luxury brands over the past few years—many of them new to the region—solidified the mall's position as a leading luxury shopping destination in the city. Its anniversary event, "Take Center Stage", held in September, reinforced connection with customers. Occupancy remained robust at 99% at the close of the year.

Olympia 66, the prominent luxury landmark in Dalian, experienced a 8% boost in revenue and a 3% rise in tenant sales. The occupancy rate climbed for the fourth consecutive year, increasing by four points to 94%. This sustained growth came from continuous brand and trade-mix upgrade across categories and floors. Multiple marketing events, such as "Blooming Dreams" in April and "Shining Olympia" in September, were favorably received and attracted significant foot traffic.

Revenue and tenant sales of the **Spring City 66** mall in Kunming modestly declined by 2% and 8%, respectively. We introduced several signature events to strengthen bonds with our customers and boost foot traffic, including the "520" festival in May and the fifth-anniversary celebration

"Spring into Life" in November. The occupancy rate was notably high at 98% by the end of the year. Our exclusive VIC lounge, The Lounge, opened in November to provide privileged shopping experiences to HOUSE 66 members. Additionally, the opening of Grand Hyatt Kunming in August 2024 is set to further solidify the mall's status as a premier retail and lifestyle destination in Southwestern China.

Revenue and tenant sales of the **Heartland 66** mall in Wuhan retreated by 19% and 22%, respectively, amid challenging market conditions and fierce price promotion from competitors in the city. We are refining the tenant mix and implementing a proactive strategy alongside our CRM program to enhance foot traffic and consumer loyalty. The occupancy rate grew by three points, reaching 85% at year-end. With the opening of our VIC lounge, The Lounge, in May, we are now able to offer exclusive shopping experiences to HOUSE 66 members.

<u>Sub-luxury malls</u>

Revenue and tenant sales of **Palace 66** in Shenyang increased by 3% and 1%**,** respectively. Numerous events such as "Dream World" from March to May and "Magical Halloween" in October, were enthusiastically embraced. We also focused on diversifying our brand selection to broaden our target customer base. By the end of the year, the occupancy rate rose by four points to 94%. The upcoming food court renovations and ongoing introduction of new food and beverage concepts will further enhance the mall's food and beverage offerings, catering to diverse preferences and boosting footfall.

Revenue of **Parc 66** in Jinan edged up by 1% despite a drop in tenant sales of 1%, occupancy rate remained stable at 93% at year-end. Upon completing the first phase of the Asset Enhancement Initiative (AEI), we have been expanding our brand offerings and introducing exclusive stores. The AEI was in its final stage as of December 2024. Enriching the mall's content, including adding more beauty and athleisure brands, enhanced its appeal to customers and contributed to its profitability.

Revenue and tenant sales of **Riverside 66** in Tianjin grew by 12% and 8%, respectively. The occupancy rate increased by five points to 95%. Throughout the year, we rolled out targeted promotional and marketing strategies and collaborated with local government to organize events, such as our New Year's Eve countdown, begonia flower decorations on the centennial wall, and a youth art festival. We also implemented numerous placemaking initiatives, such as a jewelry garden and kids' amusement zone, which boosted foot traffic and tenant sales.

- *Offices*

The office leasing market remained sluggish amid economic uncertainties. Overall revenue dropped by 6% to RMB1,095 million compared to last year, primarily attributed to lower occupancy rates as market supply increased and tenants were cost conscious in general. To retain our high-quality tenants, we implemented proactive measures and upheld a high standard of property management services.

Property Leasing – Mainland China Office Portfolio

Name of Office and City	Revenue (RMB Million)			Year-End Occupancy Rate	
	2024	2023	Change	**2024**	2023
Plaza 66, Shanghai	**606**	668	-9%	**87%**	96%
Forum 66, Shenyang	**123**	126	-2%	**90%**	89%
Center 66, Wuxi	**122**	117	4%	**88%**	85%
Spring City 66, Kunming	**138**	140	-1%	**86%**	88%
Heartland 66, Wuhan	**106**	110	-4%	**66%**	76%
Total	**1,095**	1,161	-6%		

Revenue from our two Grade A office towers at **Plaza 66** in Shanghai fell by 9% due to the drop in the occupancy rate by nine points to 87% at the end of the year following the expiry of several leases. Weak demand and excessive supply continued to be a challenge in Shanghai.

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. The occupancy rate edged up by one point, standing at 90% at the close of the year.

The total revenue of the two office towers at **Center 66** in Wuxi increased by 4%, mainly due to the growth in occupancy by three points to 88% at year-end. Our premium offerings and superior services as well as the flexibility and product diversity offered by the Group's own co-working operation, HANGOUT, enabled us to maintain a steady level of overall unit rent during the year.

The revenue of the office tower at **Spring City 66** in Kunming fell slightly by 1%, while the occupancy rate dropped by two points to 86% at the end of the year. Despite the challenging environment, we preserved our market leadership position by capitalizing on the tower's prime location, premium facilities and enhanced services. Grand Hyatt Kunming, which opened in August, is capable of hosting large-scale conferences and corporate events, fostering a vibrant community that will, in turn, attract more high-quality tenants.

For the office tower at **Heartland 66** in Wuhan, revenue receded by 4%, while the occupancy rate dropped by 10 points to 66% at the end of the year amid challenging market conditions. Our self-operated multifunctional workspace, HANGOUT, offers flexible office layouts that cater to the evolving needs of businesses and promote collaborative interaction among tenants.

Hong Kong

Hong Kong's business landscape remained challenging in 2024 in the face of inevitable competition from nearby cities and regions. Consumer sentiment remained low amid a structural change in tourist spending patterns and the northbound traveling trend of local residents. Retailers and restaurants remained hesitant to expand their operations. The momentum for office leasing stayed weak.

Revenue and operating profits retreated by 9% to HK$3,049 million and by 12% to HK$2,378 million, respectively, with a rental margin of 78%.

Occupancy has been diligently managed and reached a high level thanks to ongoing efforts to refine our tenant mix to cater to the preferences and behaviors of locals and tourists.

Property Leasing – Hong Kong Portfolio

	Revenue (HK$ Million)			**Year-End Occupancy Rate**	
	2024	2023	Change	**2024**	2023
Retail	**1,816**	2,007	-10%	**95%**	95%
Offices	**1,017**	1,108	-8%	**88%**	89%
Residential & Serviced Apartments	**216**	234	-8%	**88%**	77%
Total	**3,049**	3,349	-9%		

- *Retail*

Revenue from our Hong Kong retail portfolio declined by 10% to HK$1,816 million. To tackle sluggish consumer confidence, we continued enhancing our leasing strategy and tenant mix. The overall occupancy remained high at 95% at the end of the year.

Amid the weakened market sentiment, tenant sales dropped mildly by 4% year-on-year. To stimulate consumptions, we will continue to launch targeted marketing campaigns under the "hello Hang Lung Malls Rewards Program".

The revenue of retail properties in our **Central Business and Tourist District Portfolio** receded by 14% as a result of negative rental reversions that were concluded for some anchor tenants. Overall occupancy maintained a high level at 95% at the end of the year.

Our **Community Mall Portfolio** was comparatively resilient, with overall revenue decreasing by 5% against the previous year. Occupancy at Kornhill Plaza in Hong Kong East and Amoy Plaza in Kowloon East stayed high at 92% and 95%, respectively, at the end of the year.

- *Offices*

Revenue declined by 8% to HK$1,017 million following negative rental reversions resulting from abundant supply and subdued demand on Hong Kong Island. Proactive measures were implemented to secure a relatively high occupancy level of 88% at year-end.

Our **Hong Kong Island Portfolio** recorded a 14% fall in revenue due to negative rental reversions—mainly affecting properties in Central—while occupancy remained steady at 83% in the subdued market environment at the end of the year.

Revenue of our **Kowloon Portfolio** rose by 2% with the average occupancy rate increasing to 96% due to the more resilient semi-retail positioning of Grand Plaza and Gala Place.

- *Residential & Serviced Apartments*

Revenue of our residential and serviced apartments segment declined by 8% against last year, as tenants at Summit in the Mid-Levels district vacated the apartments from September 2023 for renovations. If excluding the impacts of Summit, revenue grew by 2% compared to the previous year, primarily due to improvements in occupancy at Burnside Villa in Repulse Bay.

PROPERTY SALES

During the reporting year, revenue of HK$1,538 million (2023: Nil) was recognized for the sale of 120 residential units at The Aperture and two houses on Blue Pool Road in Hong Kong, six units at Heartland Residences in Wuhan and three units at Grand Hyatt Residences Kunming.

As a result of the challenging market conditions in mainland China and Hong Kong, non-cash provisions totaling HK$384 million were recorded on certain development projects during the reporting year.

Taking into account the gross profit from the sale of properties in mainland China and Hong Kong and their associated selling expenses, non-recurring provisions of certain development projects, the marketing expenses for Center Residences in Wuxi, and other operating expenditures, an operating loss from property sales of HK$245 million was recorded.

As of December 31, 2024, the contracted property sales yet to be recognized amounted to HK$158 million, comprising pre-sale of 17 units at The Aperture and two units at Grand Hyatt Residences Kunming. The revenue will be recognized upon sale completion.

HOTELS

	Revenue (RMB Million)			**Year-End Occupancy Rate**	
	2024	2023	Change	**2024**	2023
Conrad Shenyang	**136**	139	-2%	**51%**	71%
Grand Hyatt Kunming #	**37**	-	N/A	**49%**	N/A
Total	**173**	139	24%		

opened in August 2024

Revenue of **Conrad Shenyang** declined by 2% against last year. A downturn in food and beverage sales was counterbalanced by growth of 3% in our room revenue.

Grand Hyatt Kunming, an integral part of the Spring City 66 mixed-use complex, commenced business on August 6, 2024. The five-star hotel offers 331 guestrooms and five distinct dining venues. Revenue of RMB 37 million was generated over the first five months of its operations.

PROPERTY REVALUATION

As of December 31, 2024, the total value of our investment properties and those under development amounted to HK$190,520 million, including the mainland China portfolio of HK$128,044 million and the Hong Kong portfolio of HK$62,476 million. These properties were appraised by Savills, an independent valuer, as of December 31, 2024.

A revaluation loss of HK$937 million was recorded (2023: loss of HK$9 million).

The mainland China portfolio recorded a revaluation loss of HK$587 million (2023: gain of HK$295 million), representing less than 1% of the portfolio value as of December 31, 2023.

The Hong Kong portfolio had a revaluation loss of HK$350 million (2023: loss of HK$304 million), representing a less than 1% decrease against the portfolio value as of December 31, 2023.

Net revaluation loss after tax and non-controlling interests of HK$942 million was reported (2023: net revaluation loss of HK$167 million).

PROPERTY DEVELOPMENT AND CAPITAL COMMITMENTS

The aggregated values of our projects under development for property leasing and property sales were HK$24,001 million and HK$7,638 million, respectively. These comprised mainland China projects in 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$13.3 billion.

Mainland China

Grand Hyatt Residences Kunming (昆明君悅居) and **Grand Hyatt Kunming** are integral components of the 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. Completion certificates for both properties were obtained in April 2024. The sales campaign for the Residences is in progress, and Grand Hyatt Kunming commenced business on August 6, 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 that house a total of 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. 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 the Curio Collection by Hilton 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**. 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 for completion in phases from 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 3,000 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.

Design and planning works for 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 sales campaign for the residential portion is in progress.

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 houses, and the general building plan was approved in August 2022. Demolition work is in progress.

In September 2024, the conditions precedent for acquisition of 17 out of 18 units at 8-12A Wilson Road in Jardine’s Lookout of Hong Kong Island has been fulfilled. In January 2025, acquisition for the last unit was completed. The redevelopment at Wilson Road with an expected gross floor area of approximately 26,000 square feet will consist of luxurious detached houses with expansive gardens overlooking Mid-level East and Central skyline. A preliminary development scheme has been submitted for Buildings Department's approval.

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 management, including debt refinancing, foreign exchange exposure, and interest rate volatility, is 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 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.

- *Cash Management*

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

	At December 31, 2024		At December 31, 2023	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Denominated in:				
HKD	**8,367**	*81%*	3,311	*62%*
RMB	**1,934**	*19%*	1,877	*35%*
USD	**2**	-	164	*3%*
Total cash and bank balances	**10,303**	*100%*	5,352	*100%*

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

- *Debt Portfolio*

As of the balance sheet date, total borrowings amounted to HK$57,376 million (December 31, 2023: HK$50,704 million), 36% of which was denominated in RMB to act 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 were converted to fixed-rate through the use of interest rate swaps. The percentage of fixed-rate borrowings accounted for 41% of our total borrowings as of December 31, 2024. After excluding the onshore floating-rate debts, the percentage of fixed-rate borrowings would be 56% of the total offshore borrowings as of December 31, 2024 (December 31, 2023: 50%).

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

(i) by currency (after currency swap):

	At December 31, 2024		At December 31, 2023	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Denominated in:				
HKD	**36,705**	*64%*	35,920	*71%*
RMB	**20,671**	*36%*	14,784	*29%*
Total borrowings	**57,376**	*100%*	50,704	*100%*

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

	At December 31, 2024		At December 31, 2023	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Fixed	**23,725**	*41%*	18,576	*37%*
Floating	**33,651**	*59%*	32,128	*63%*
Total borrowings	**57,376**	*100%*	50,704	*100%*

- *Gearing Ratios*

At the balance sheet date, the net debt balance amounted to HK$47,073 million (December 31, 2023: HK$45,352 million). The net debt to equity ratio was 33.4% (December 31, 2023: 31.9%), and the debt to equity ratio was 40.7% (December 31, 2023: 35.7%). The increase in net debt to equity ratio was largely due to the rise in borrowings primarily used for 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 2.9 years (December 31, 2023: 3.0 years). The maturity profile was staggered over more than 12 years. Around 65% of our outstanding debts would be repayable after two years.

In November 2024, we launched an HKD syndicated loan facility to the market. With the overwhelming support of a consortium of more than 10 leading international, Chinese and local banks, we successfully signed a HK$10 billion five-year syndicated term loan and revolving credit facility in January 2025. This transaction reflects our banking partners' confidence in the future growth of Hang Lung Properties, lengthens our loan maturity profile and enhances our funding sources for business development.

	At December 31, 2024		At December 31, 2023	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Repayable:				
Within 1 year	**9,340**	*16%*	4,434	*9%*
After 1 but within 2 years	**10,859**	*19%*	14,091	*28%*
After 2 but within 5 years	**33,295**	*58%*	27,779	*55%*
Over 5 years	**3,882**	*7%*	4,400	*8%*
Total borrowings	**57,376**	*100%*	50,704	*100%*

As of December 31, 2024, total undrawn committed banking facilities amounted to HK$12,535 million (December 31, 2023: HK$15,717 million). The available balances of the US$4 billion (December 31, 2023: US$4 billion) medium-term note program amounted to US$2,078 million, equivalent to HK$16,134 million (December 31, 2023: HK$17,584 million).

- *Net Finance Costs and Interest Cover*

For the year ended December 31, 2024, gross finance costs rose by 8% to HK$2,109 million. The effect of the increase in borrowings was primarily for capital expenditure, with the average effective cost of borrowing maintained at 4.3% (2023: 4.3%).

The net amount charged to the statement of profit or loss (after excluding capitalized amounts) increased to HK$884 million accordingly.

Interest cover for 2024 was 2.8 times (2023: 3.6 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 the strict discipline of not speculating on the exchange rate movement of RMB against the HKD and maintain 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 December 31, 2024, net assets denominated in RMB accounted for approximately 70% of our total net assets. The RMB depreciated against the HKD by 2.1% compared with 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$2,147 million (2023: loss of HK$1,605 million), recognized in other comprehensive income/exchange reserve.

- *Charge of Assets*

None of Hang Lung Properties' assets were charged to third parties as of December 31, 2024.

- *Contingent Liabilities*

Hang Lung Properties had no material contingent liabilities as of December 31, 2024.

SUSTAINABILITY

Sustainability is one of Hang Lung's core values and is embedded across our operating properties and development projects. Through numerous sustainable practices and initiatives, we aim to create long-term value for our stakeholders and contribute positively to the communities in which we operate.

We continue to set robust goals and targets to drive our sustainability agenda, which include the 25 x 25 Sustainability Targets to be achieved in 2025 and the 2030 Sustainability Goals and Targets. Hang Lung is also committed to reducing emissions and achieving net zero emissions by 2050, aligning with the Science-Based Target initiative's (SBTi's) Net-Zero Standard.

Our many sustainability commitments and achievements are recognized by global and local sustainability ratings and indices. We maintain an "AA" rating in the MSCI ESG Ratings assessment, an "AA" rating in the Hang Seng Corporate Sustainability Index, a "low ESG risk" rating from Sustainalytics, and a "4-star" rating from GRESB. We are also a constituent stock of the FTSE4Good Index Series.

Scaling Renewable Energy Across the Mainland Portfolio

In line with our commitment to achieving net zero by 2050, we actively source renewable energy for our mainland China portfolio through power purchase agreements ("PPAs"). Building on our earlier PPAs for Spring City 66 in Kunming and Parc 66 in Jinan, Plaza 66 and Grand Gateway 66 in Shanghai and Center 66 in Wuxi have also been powered by renewable energy since April 2024. Altogether, five out of ten of Hang Lung's Mainland operating properties are powered by renewable energy. This achievement resulted in over 45% renewable energy in landlord use for our Mainland portfolio and surpasses the Company's 2025 sustainability target of 25% renewable energy for our Mainland portfolio.

Advancing Real Estate Decarbonization with Low Carbon Emissions Steel

Steel accounted for approximately 40% of Hang Lung's total embodied carbon emissions in 2023. Squarely confronting this challenge, in 2024, we announced a groundbreaking achievement in real estate decarbonization with the first use of nearly 100% low carbon emissions steel for all above-ground structural plates and reinforcing bars in our Plaza 66 Pavilion Extension project in Shanghai. This initiative, in collaboration with Baoshan Iron & Steel Co., Ltd. ("Baosteel"), is expected to deliver a 35% reduction in embodied carbon emissions compared to conventional steel alternatives, providing an essential example of real estate decarbonization in mainland China. It also aligns with Hang Lung's commitment to using 50% lower-emission steel by 2030 and setting a clear pathway to 100% net zero steel by 2050 under Climate Group's SteelZero initiative.

Fostering Tenant Sustainability Collaboration Through Innovative Partnerships

Our program "Changemakers: Tenant Partnerships on Sustainability" aims to drive collaboration with tenants across our properties in Hong Kong and the Mainland. Tenants of all types are encouraged to take actionable steps to reduce carbon emissions, minimize waste, advance circularity, and enhance community wellbeing. The program allows tenants to collaborate with Hang Lung in co-developing sustainability projects and provides participants with capacity-building resources, energy performance benchmarking, technical support, and recognition for their Environmental, Social and Governance efforts.

Hang Lung has also made progress in our sustainability partnership with the LVMH Group, launched in October 2022. After unveiling the inaugural 2023 Common Charter, which outlined 20 sustainability initiatives across Climate Resilience, Resource Management, People and Wellbeing, and Sustainability Governance, a 2024 Common Charter was announced in October 2024. The Common Charter offers a transparent progress report on both Groups' efforts, stakeholder perspectives, lessons learned, achievements, and evolving plans.

As of December 2024, Hang Lung has engaged 46 sustainability tenants from diverse sectors—including office, retail, food and beverage, and hospitality—across 17 properties, comprising a total leased area of more than 210,000 square meters.

Transforming Workspaces with Sustainability and Wellbeing Initiatives

Hang Lung recently completed a major rejuvenation project for our Hong Kong offices. We aim to create workplaces that promote wellness, engagement, and a collaborative culture and strive to minimize our environmental impacts while promoting employee and community wellbeing. Finishing in October 2024, the upgrade incorporates numerous sustainability features, such as solar panels and recycled materials, including locally salvaged woods, reclaimed timber—and even upcycled ceramics from Jingdezhen, known as the "porcelain capital" of China. We completed the RESET Assessment for both offices and achieved above-industry-average carbon, circularity, and health performance benchmarking results.

As part of this initiative, we collaborated with Sustainable Office Solutions and the Crossroads Foundation to implement a holistic resource utilization scheme for the project. This collaboration has seen more than 4,400 office resources being reused, redistributed, or recycled, successfully diverting nearly 180,000 kilograms of municipal waste from landfills. We provided over 400 items to 33 NGOs of different sectors throughout the scheme, including the Crossroads Foundation, Oxfam Hong Kong, and the Hong Kong PHAB Association. In addition, nearly 130 staff members from Hong Kong participated in the two rounds of the Staff Take Home Program to bring home and reuse well-maintained office furniture and electronic appliances.

Working with Youth to Promote Social Wellbeing

In 2024, we held our annual Nationwide Volunteer Day in Hong Kong and nine cities across mainland China for the fifth consecutive year to celebrate the anniversary of the founding of Hang Lung Group. Under the theme "Working with Youth," more than 1,400 Hang Lung As One volunteers and youth volunteers worked together with local government departments, charitable organizations, schools, Hang Lung tenants, and more to conduct activities that benefited over 10,000 people from vulnerable groups, fostering care for the community.

In Hong Kong, the Hang Lung As One Volunteer Team partnered with 13 local charitable organizations and social enterprises, bringing together young people—including mentees of the "Strive and Rise Alumni Club" and recipients of "The Hang Lung Scholarship and Development Donation for the Visually Impaired"—to organize a Diversity and Inclusion Carnival. Volunteer teams on the Mainland also empowered youths to organize charity bazaars and sports challenge events and encouraged young people from grassroots families to explore environmental issues and interests.

Over the past 12 years, the Hang Lung As One Volunteer Team has actively worked with multiple partners to enhance societal wellbeing. In 2024, more than 2,800 volunteers across Hong Kong and 11 projects in nine Mainland cities contributed over 68,900 service hours, benefiting more than 30,800 people.

Collaborating with Food and Beverage Tenants to Alleviate Carer Pressure

Hang Lung launched the second edition of the "Love·No·Limit" Dementia Friendly Program in June 2024. Amoy Plaza is Hong Kong's first shopping mall to host Carer Cafés in collaboration with its food and beverage tenants, offering free community respite services for people living with dementia as well as leisure activities to relieve pressure on carers. The mall also hosts a dedicated station that provides free cognitive assessments for the community and referral services for those needing further assistance. In the first six months since this new edition of the program launched, over 1,300 members of the public have been engaged.

Sustainable Finance

As of December 31, 2024, green bonds, green loans, and sustainability-linked loan facilities accounted for 60% of our total debts and available facilities. The green bonds and green loans are used for qualifying green projects, as defined by the sustainable finance framework, while the sustainability-linked loan facilities are for supporting various corporate initiatives and general corporate financing.

OUTLOOK

Uncertainty surrounding U.S.-China geopolitical tensions and additional tariffs to be imposed on Chinese products is casting a shadow over the revival of the Chinese economy. Meanwhile, the trajectory of U.S. Federal Reserve rates and the strong U.S. dollar are dampening the prospects for a global economic recovery. Nonetheless, we are committed to enhancing our operational flexibility and core strengths amid these challenges, helping us better position ourselves to thrive in an increasingly complex environment.

In mainland China, affluent shoppers remain interested in luxury purchases despite facing economic obstacles and are increasingly prioritizing unique shopping experiences. We continue to dedicate our efforts to launching best-in-class marketing campaigns and leveraging our HOUSE 66 CRM program to strengthen our connections with loyal customers and acquire new ones. For our sub-luxury malls, we will capitalize on the positive trend of increasing occupancy while optimizing our tenant mix. Our newest development, Westlake 66 in Hangzhou, is set to see a phased completion of multiple office towers and the opening of the shopping mall from 2025 onwards. Pre-leasing efforts are optimistic, as prominent multinational corporations and leading brands, including existing tenants from the 66 series, have expressed keen interest in this iconic destination. Our hotel portfolio is expanding, highlighted by the launch of Grand Hyatt Kunming in August 2024. Curio Collection by Hilton in Wuxi and Mandarin Oriental Hangzhou are set for completion in the next couple of years, which will boost foot traffic to our malls and attract high-caliber tenants for both our offices and retail spaces as we create more venues for business, lifestyle, and social events. Regarding the office market, as tenants continue to exercise cost controls to improve efficiency, they are becoming more cautious about expansion. We will maintain our excellent standards of service to retain high-quality tenants.

In Hong Kong, consumer sentiment remains soft while travel patterns continue to trend northbound. However, we are seeing initial signs of recovery in both visitor arrivals and retail sales as a result of government initiatives. The demand for office space is expected to remain stagnant amid the sluggish economic climate, and, in response, we will be adaptive and attentive to the changing needs of businesses. As an example, we recently introduced "Net-Work by Hang Lung", our premium coworking facility located in the Standard Chartered Bank Building in the heart of Central. This initiative offers versatile solutions for businesses of all sizes, broadening our range of offerings in the city and building on the success of HANGOUT on the Mainland.

We look forward to our property development business achieving milestones in 2025. Center Residences in Wuxi—another project by Hang Lung Residences in mainland China—is set to begin pre-sale in the latter half of 2025. Like our other Hang Lung Residences (Heartland Residences in Wuhan and Grand Hyatt Residences in Kunming), Center Residences enjoys a prime location in the city center with high-end foot traffic and is adjacent to our premier integrated complex, which includes a retail mall and office towers. Our distinctive offerings and exceptional management services attract residents seeking quality and premium living standards, as well as affluent buyers from other cities in search of business convenience. In Hong Kong, we are pleased to announce the completion of our acquisition of all units at 8-12A Wilson Road, nestled in the heart of the serene ultra-high net-worth neighborhood in Jardine's Lookout on Hong Kong Island, in January 2025. This redevelopment project represents a notable addition to our diverse collection of luxurious residences strategically located in the most prestigious areas of Hong Kong.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2024 (AUDITED)

	Note	**2024 HK$ Million**	2023 HK$ Million	*For information purpose only* **2024 RMB Million**	2023 RMB Million
Revenue	2(a)	**11,242**	10,316	**10,314**	9,295
Direct costs and operating expenses		**(4,787)**	(2,927)	**(4,403)**	(2,638)
		6,455	7,389	**5,911**	6,657
Other net income	3	**35**	24	**32**	21
Administrative expenses		**(650)**	(651)	**(599)**	(589)
Profit from operations before changes in fair value of properties		**5,840**	6,762	**5,344**	6,089
Decrease in fair value of properties		**(937)**	(9)	**(866)**	(9)
Profit from operations after changes in fair value of properties		**4,903**	6,753	**4,478**	6,080
Interest income		**42**	71	**38**	65
Finance costs		**(926)**	(692)	**(853)**	(628)
Net interest expense	4	**(884)**	(621)	**(815)**	(563)
Share of profits of joint ventures		**26**	36	**24**	32
Profit before taxation	5	**4,045**	6,168	**3,687**	5,549
Taxation	6	**(1,388)**	(1,572)	**(1,270)**	(1,416)
Profit for the year	2(b)	**2,657**	4,596	**2,417**	4,133
Attributable to:					
Shareholders		**2,153**	3,970	**1,959**	3,570
Non-controlling interests		**504**	626	**458**	563
Profit for the year		**2,657**	4,596	**2,417**	4,133
Earnings per share	8(a)				
Basic		**HK$0.46**	HK$0.88	**RMB0.42**	RMB0.79
Diluted		**HK$0.46**	HK$0.88	**RMB0.42**	RMB0.79

恒隆地產 HANG LUNG PROPERTIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2024 (AUDITED)

			For information purpose only	
	2024 HK$ Million	2023 HK$ Million	**2024 RMB Million**	2023 RMB Million
Profit for the year	**2,657**	4,596	**2,417**	4,133
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	**(2,295)**	(1,596)	**1,250**	546
Gain/(loss) on net investment hedge	**148**	(9)	**-**	(8)
Movement in hedging reserve:				
Effective portion of changes in fair value	**120**	2	**110**	2
Net amount transferred to profit or loss	**(60)**	(86)	**(55)**	(78)
Deferred tax	**(9)**	11	**(8)**	10
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 year, net of tax	**(2,096)**	(1,679)	**1,297**	471
Total comprehensive income for the year	**561**	2,917	**3,714**	4,604
Attributable to:				
Shareholders	**269**	2,453	**3,262**	4,051
Non-controlling interests	**292**	464	**452**	553
Total comprehensive income for the year	**561**	2,917	**3,714**	4,604

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2024 (AUDITED)

				For information purpose only	
	Note	**2024 HK$ Million**	2023 HK$ Million	**2024 RMB Million**	2023 RMB Million
Non-current assets					
Investment properties	9	**166,519**	169,046	**155,224**	153,511
Investment properties under development	9	**24,001**	23,610	**22,226**	21,398
Property, plant and equipment		**2,833**	331	**2,625**	300
Interests in joint ventures		**1,104**	1,116	**1,040**	1,017
Other assets		**76**	76	**72**	68
Deferred tax assets		**140**	142	**132**	129
		194,673	194,321	**181,319**	176,423
Current assets					
Cash and deposits with banks		**10,303**	5,352	**9,676**	4,868
Trade and other receivables	10	**3,183**	3,406	**2,968**	3,093
Properties for sale		**13,489**	14,223	**12,603**	12,929
		26,975	22,981	**25,247**	20,890
Current liabilities					
Bank loans and other borrowings		**9,340**	4,434	**8,749**	4,030
Trade and other payables	11	**9,291**	10,216	**8,651**	9,275
Lease liabilities		**23**	30	**21**	27
Current tax payable		**294**	457	**273**	415
		18,948	15,137	**17,694**	13,747
Net current assets		**8,027**	7,844	**7,553**	7,143
Total assets less current liabilities		**202,700**	202,165	**188,872**	183,566
Non-current liabilities					
Bank loans and other borrowings		**48,036**	46,270	**45,077**	42,110
Lease liabilities		**240**	248	**222**	225
Deferred tax liabilities		**13,374**	13,524	**12,394**	12,259
		61,650	60,042	**57,693**	54,594
NET ASSETS		**141,050**	142,123	**131,179**	128,972
Capital and reserves					
Share capital		**42,051**	39,950	**39,410**	37,462
Reserves		**89,536**	92,458	**83,010**	82,707
Shareholders’ equity		**131,587**	132,408	**122,420**	120,169
Non-controlling interests		**9,463**	9,715	**8,759**	8,803
TOTAL EQUITY		**141,050**	142,123	**131,179**	128,972

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The financial information relating to the years ended December 31, 2024 and 2023 included in this announcement of annual results does not constitute the statutory annual consolidated financial statements of Hang Lung Properties Limited (the "Company") and its subsidiaries (collectively the "Group") for those years but is derived from those consolidated financial statements in accordance with section 436 of the Hong Kong Companies Ordinance (Cap.622). The Company has delivered the consolidated 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 and will deliver the consolidated financial statements for the year ended December 31, 2024 in due course. The Company's auditor has reported on the consolidated financial statements for both years. The auditor's reports were unqualified and they did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports, and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. BASIS OF PREPARATION (Continued)

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The material accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2023.

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.

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 year ended December 31, 2024

	Revenue from contracts with customers			**Leases**	**Total**
	recognized at a point in time	**recognized over time**	**Subtotal**		
Rental income	**-**	**-**	**-**	**8,371**	**8,371**
Sales of completed properties	**1,538**	**-**	**1,538**	**-**	**1,538**
Hotel revenue	**77**	**112**	**189**	**-**	**189**
Building management fees and other income from property leasing	**-**	**1,144**	**1,144**	**-**	**1,144**
	1,615	**1,256**	**2,871**	**8,371**	**11,242**

For the year ended December 31, 2023

	Revenue from contracts with customers			Leases	Total
	recognized at a point in time	recognized over time	Subtotal		
Rental income	-	-	-	8,997	8,997
Hotel revenue	65	89	154	-	154
Building management fees and other income from property leasing	-	1,165	1,165	-	1,165
	65	1,254	1,319	8,997	10,316

2. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Revenue and results by segments

HK$ Million	2024				2023			
	Property Leasing	**Property Sales**	**Hotels**	**Total**	Property Leasing	Property Sales	Hotels	Total
Revenue								
- Mainland China	**6,466**	**56**	**189**	**6,711**	6,813	-	154	6,967
- Hong Kong	**3,049**	**1,482**	**-**	**4,531**	3,349	-	-	3,349
	9,515	**1,538**	**189**	**11,242**	10,162	-	154	10,316
Profit/(loss) from operations before changes in fair value of properties								
- Mainland China	**3,990**	**(197)**	**(63)**	**3,730**	4,337	(44)	1	4,294
- Hong Kong	**2,158**	**(48)**	**-**	**2,110**	2,465	3	-	2,468
	6,148	**(245)**	**(63)**	**5,840**	6,802	(41)	1	6,762
(Decrease)/increase in fair value of properties	**(937)**	-	-	**(937)**	(9)	-	-	(9)
- Mainland China	**(587)**	-	-	**(587)**	295	-	-	295
- Hong Kong	**(350)**	-	-	**(350)**	(304)	-	-	(304)
Net interest expense	**(884)**	-	-	**(884)**	(621)	-	-	(621)
- Interest income	**42**	-	-	**42**	71	-	-	71
- Finance costs	**(926)**	-	-	**(926)**	(692)	-	-	(692)
Share of profits of joint ventures	**26**	-	-	**26**	36	-	-	36
Profit/(loss) before taxation	**4,353**	**(245)**	**(63)**	**4,045**	6,208	(41)	1	6,168
Taxation	**(1,369)**	**(19)**	**-**	**(1,388)**	(1,573)	1	-	(1,572)
Profit/(loss) for the year	**2,984**	**(264)**	**(63)**	**2,657**	4,635	(40)	1	4,596
Net profit/(loss) attributable to shareholders	**2,480**	**(264)**	**(63)**	**2,153**	4,009	(40)	1	3,970

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	2024				2023			
	Property Leasing	**Property Sales**	**Hotels**	**Total**	Property Leasing	Property Sales	Hotels	Total
Mainland China	**130,171**	**6,636**	**2,544**	**139,351**	130,768	6,447	2,151	139,366
Hong Kong	**62,774**	**7,900**	**-**	**70,674**	62,516	8,734	-	71,250
	192,945	**14,536**	**2,544**	**210,025**	193,284	15,181	2,151	210,616
Interests in joint ventures				**1,104**				1,116
Other assets				**76**				76
Deferred tax assets				**140**				142
Cash and deposits with banks				**10,303**				5,352
				221,648				217,302

3. OTHER NET INCOME

HK$ Million	2024	2023
Government grants	**7**	5
Gain/(loss) on disposal of property, plant and equipment	**17**	(12)
Net exchange (loss)/gain	**(2)**	5
Dividend income from equity investments measured at fair value changes in other comprehensive income	**2**	2
Gain on disposal of investment properties	**-**	11
Others	**11**	13
	35	24

4. NET INTEREST EXPENSE

HK$ Million	2024	2023
Interest income on bank deposits	**42**	71
Interest expense on bank loans and other borrowings	**2,003**	1,862
Interest on lease liabilities	**13**	14
Other borrowing costs	**93**	83
Total borrowing costs	**2,109**	1,959
Less: Borrowing costs capitalized	**(1,183)**	(1,267)
Finance costs	**926**	692
Net interest expense	**(884)**	(621)

5. PROFIT BEFORE TAXATION

HK$ Million	**2024**	2023
Profit before taxation is arrived at after charging:		
Cost of properties sold	**1,225**	-
Provision for properties for sale	**384**	-
Staff costs (Note)	**1,520**	1,523
Depreciation	**117**	88

Note: The staff costs included employee share-based payments of HK$74 million (2023: HK$83 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$1,844 million (2023: HK$1,856 million).

6. TAXATION

Provision for Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year. 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	**250**	288
Under-provision in prior years	**5**	5
	255	293
Mainland China Income Tax	**1,016**	1,026
Total current tax	**1,271**	1,319
Deferred tax		
Changes in fair value of properties	**20**	103
Other origination and reversal of temporary differences	**97**	150
Total deferred tax	**117**	253
Total income tax expense	**1,388**	1,572

7. DIVIDENDS

(a) Dividends attributable to the year

HK$ Million	**2024**	2023
Interim dividend declared and paid of HK12 cents (2023: HK18 cents) per share	**566**	810
Final dividend of HK40 cents (2023: HK60 cents) per share proposed after the end of the reporting period	**1,913**	2,699
	2,479	3,509

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

The Scrip Dividend Arrangement is conditional upon: (1) the granting of a general mandate by the shareholders of the Company to the Board to allot, issue and deal with such additional shares of the Company representing 20% of the number of shares in issue on the date of passing such resolution at the Annual General Meeting to be held on April 30, 2025 (the "AGM"); (2) the approval of the proposed final dividend at the AGM; and (3) 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.

(b) The final dividend of HK$2,699 million (calculated based on HK60 cents per share and the total number of issued shares as of the dividend pay-out date) for the year ended December 31, 2023 were approved and paid in the year ended December 31, 2024 (2023: HK$2,699 million), of which HK$1,708 million was settled through scrip dividend pursuant to the Scrip Dividend Arrangement announced by the Company on January 30, 2024.

Included in 2024 interim dividend paid during the year, HK$393 million was settled through scrip dividend pursuant to the Scrip Dividend Arrangement announced by the Company on July 30, 2024.

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	**2,153**	3,970

	Number of shares	
	2024	2023
Weighted average number of shares used in calculating basic and diluted earnings per share (Note)	**4,635,426,372**	4,499,260,670

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

(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	**2,153**	3,970
Effect of changes in fair value of properties	**937**	9
Effect of income tax for changes in fair value of properties	**20**	103
Effect of changes in fair value of investment properties of joint ventures	**11**	4
	968	116
Non-controlling interests	**(26)**	51
	942	167
Underlying net profit attributable to shareholders	**3,095**	4,137

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

	2024	2023
Basic	**HK$0.67**	HK$0.92
Diluted	**HK$0.67**	HK$0.92

9. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT

(a) Additions

During the year, additions to investment properties and investment properties under development amounted to HK$3,744 million (2023: HK$3,613 million).

(b) Valuation

The investment properties and investment properties under development of the Group were revalued as of December 31, 2024 by Savills Valuation and Professional Services Limited, an independent qualified valuer, 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	**2024**	2023
Not past due or less than 1 month past due	**166**	138
1 – 3 months past due	**16**	9
More than 3 months past due	**2**	1
	184	148

(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	**2024**	2023
Due within 3 months	**1,368**	2,053
Due after 3 months	**2,647**	2,289
	4,015	4,342

(b) Included in trade and other payables is an amount of HK$601 million (2023: 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.

OTHER INFORMATION

Employees

As of December 31, 2024, the number of employees was 3,930 (comprising 927 Hong Kong employees and 3,003 mainland China employees). The total employee costs for the year ended December 31, 2024, amounted to HK$1,844 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 training for employees.

Purchase, Sale or Redemption of Listed Securities

During the year ended December 31, 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 year ended December 31, 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.

Audit Committee

The annual results for the year ended December 31, 2024, have been reviewed by the Audit Committee of the Company. Hang Lung Properties' consolidated financial statements have been audited by the Company's auditor, KPMG, and it has issued an unmodified opinion.

Book Close Dates

For ascertaining shareholders' right to attend and vote at the Annual General Meeting (AGM)

Book close dates (both days inclusive)	April 25 to 30, 2025
Latest time to lodge transfers	4:30 pm on April 24, 2025
Record date	April 30, 2025
AGM	April 30, 2025

For the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, April 25, 2025 to Wednesday, April 30, 2025, both days inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the AGM, 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, April 24, 2025.

For ascertaining shareholders' entitlement to the proposed final dividend

Book close date	May 9, 2025
Latest time to lodge transfers	4:30 pm on May 8, 2025
Record date	May 9, 2025
Final dividend payment date	June 16, 2025

For the purpose of ascertaining shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed on Friday, May 9, 2025, on which no share transfers will be effected. In order to qualify for the proposed final dividend (if any, subject to shareholders' approval at the AGM), 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, May 8, 2025.

On Behalf of the Board
Adriel Chan
Chair

Hong Kong, January 24, 2025

As of the date of this announcement, the Board of the Company comprises:
Executive Directors: Mr. Adriel CHAN, Mr. Weber W.P. LO and Mr. Kenneth K.K. CHIU
Independent Non-Executive Directors: Mr. Nelson W.L. YUEN, Mr. Philip N.L. CHEN, Dr. Andrew K.C. CHAN, Ms. Anita Y.M. FUNG and Ms. Holly T.F. LI

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 year (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

$$\text{Basic earnings per share} = \frac{\text{Net profit attributable to shareholders}}{\text{Weighted average number of shares in issue during the year}}$$

$$\text{Debt to equity} = \frac{\text{Total borrowings}}{\text{Total equity}}$$

$$\text{Net assets attributable to shareholders per share} = \frac{\text{Shareholders' equity}}{\text{Number of shares issued at the end of the reporting period}}$$

$$\text{Net debt to equity} = \frac{\text{Net debt}}{\text{Total equity}}$$

$$\text{Interest cover} = \frac{\text{Profit from operations before changes in fair value of properties}}{\text{Finance costs before capitalization less interest income}}$$

$$\text{Payout ratio} = \frac{\text{Dividends attributable to the year}}{\text{Net profit attributable to shareholders}}$$