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 ANNUAL RESULTS

CONTENTS

FINANCIAL HIGHLIGHTS

RESULTS

	2024 (HK$ Million)				2023 (HK$ Million)			
	Property Leasing	**Property Sales**	**Hotels**	**Total**	Property Leasing	Property Sales	Hotels	Total
Revenue	**10,033**	**1,538**	**189**	**11,760**	10,725	2	154	10,881
- Mainland China	**6,851**	**56**	**189**	**7,096**	7,245	-	154	7,399
- Hong Kong	**3,182**	**1,482**	**-**	**4,664**	3,480	2	-	3,482
Operating profit/(loss)	**7,134**	**(245)**	**(63)**	**6,826**	7,843	(50)	1	7,794
- Mainland China	**4,656**	**(197)**	**(63)**	**4,396**	5,050	(44)	1	5,007
- Hong Kong	**2,478**	**(48)**	**-**	**2,430**	2,793	(6)	-	2,787
Underlying net profit/(loss) attributable to shareholders	**2,531**	**(165)**	**(39)**	**2,327**	2,952	(22)	1	2,931
Net decrease in fair value of properties attributable to shareholders	**(714)**	**-**	**-**	**(714)**	(120)	-	-	(120)
Net profit/(loss) attributable to shareholders	**1,817**	**(165)**	**(39)**	**1,613**	2,832	(22)	1	2,811

	At December 31, 2024	At December 31, 2023
Shareholders' equity (HK$ Million)	**95,776**	94,360
Net assets attributable to shareholders per share (HK$)	**$70.3**	$69.3

Earnings and Dividends (HK$)

	2024	2023
Earnings per share		
- Based on underlying net profit attributable to shareholders	**$1.71**	$2.15
- Based on net profit attributable to shareholders	**$1.18**	$2.06
Dividends per share	**$0.86**	$0.86
- Interim	**$0.21**	$0.21
- Final	**$0.65**	$0.65

Financial Ratios

	2024	2023
Payout ratio (based on net profit attributable to shareholders)		
- Total	**73%**	42%
- Property leasing	**64%**	41%
- Property leasing (after deducting amount of interest capitalized)	**89%**	53%
Payout ratio (based on underlying net profit attributable to shareholders)		
- Total	**50%**	40%
- Property leasing	**46%**	40%
- Property leasing (after deducting amount of interest capitalized)	**58%**	47%

	At December 31, 2024	At December 31, 2023
Net debt to equity ratio	**30.8%**	28.6%
Debt to equity ratio	**37.9%**	32.7%

REVIEW OF OPERATIONS

CONSOLIDATED RESULTS

The overall revenue of Hang Lung Group Limited (the "Company") and its subsidiaries (collectively known as "the Group") for the year ended December 31, 2024, rose by 8% against last year to HK$11,760 million after including property sales revenue of HK$1,538 million (2023: HK$2 million). The overall operating profit decreased by 12% to HK$6,826 million. Revenue and operating profit from property leasing dropped by 6% to HK$10,033 million and 9% to HK$7,134 million, respectively, as a result of the sluggish retail and office rental markets in mainland China and Hong Kong.

The underlying net profit attributable to shareholders declined by 21% to HK$2,327 million, primarily attributable to lower operating leasing profits and higher finance costs. The underlying earnings per share decreased correspondingly to HK$1.71.

The Group reported a net profit attributable to shareholders of HK$1,613 million (2023: HK$2,811 million) when including a net revaluation loss on properties attributable to shareholders of HK$714 million (2023: net revaluation loss of HK$120 million). The corresponding earnings per share was HK$1.18 (2023: HK$2.06).

Revenue and Operating Profit

	Revenue			Operating Profit/(Loss)		
	2024	2023	Change	**2024**	2023	Change
	HK$ Million	HK$ Million		**HK$ Million**	HK$ Million	
Property Leasing	**10,033**	10,725	-6%	**7,134**	7,843	-9%
Mainland China	**6,851**	7,245	-5%	**4,656**	5,050	-8%
Hong Kong	**3,182**	3,480	-9%	**2,478**	2,793	-11%
Property Sales	**1,538**	2	N/A	**(245)**	(50)	-390%
Mainland China	**56**	-	N/A	**(197)**	(44)	-348%
Hong Kong	**1,482**	2	N/A	**(48)**	(6)	-700%
Hotels (Mainland China)	**189**	154	23%	**(63)**	1	N/A
Total	**11,760**	10,881	8%	**6,826**	7,794	-12%

DIVIDEND

The board of directors (the "Board") of the Company has recommended a final dividend of HK65 cents per share for 2024 (2023: HK65 cents) to be paid in cash on June 16, 2025, to shareholders whose names are listed on the register of members of the Company on May 9, 2025. Together with an interim dividend of HK21 cents per share (2023: HK21 cents), the full-year dividends for 2024 amounted to HK86 cents per share (2023: HK86 cents).

PROPERTY LEASING

The overall rental revenue retreated by 6% to HK$10,033 million for the year ended December 31, 2024. Rental revenue from our Mainland portfolio decreased 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, lackluster local economic conditions, geopolitical tensions, and a sluggish global economy have all impacted consumer confidence. Although the Chinese Central Government has recently implemented stimulus measures aimed at improving the economic outlook, how effective these will be remains uncertain. When expressed in RMB terms, our mall portfolio's overall rental revenue and tenant sales decreased by 3% and 14%, respectively, compared to the previous year. However, we achieved high occupancy rates by streamlining our tenant mix and implementing effective marketing strategies, such as exclusive events and luxury brands partnerships, along with HOUSE 66—our customer relationship management (CRM) program—to offer customers distinctive shopping experiences. Office portfolio continues to face challenges due to limited demand and fierce market competition; however, we succeeded in maintaining stable occupancy rates by providing exceptional management service standards.

Retail sales in Hong Kong remained weak due to changing consumer spending patterns and an increase in outbound travel by local residents. Our retail portfolio's overall rental revenue and tenant sales dropped by 9% and 4%, respectively, compared to the previous year. As we refined our tenant mix and launched various marketing initiatives through our "hello Hang Lung Malls Rewards Program" to strengthen customer loyalty, occupancy levels were effectively controlled and stayed high. The office market remains burdened by the high interest rate environment and global economic uncertainty, making businesses wary of expansion. However, due to proactive tenant retention strategies, the occupancy rate of our office portfolio held steady.

Mainland China[1]

Property Leasing – Mainland China Portfolio

	Revenue (RMB Million)		
	2024	2023[2]	Change
Malls	**4,805**	4,963	-3%
Offices	**1,320**	1,401	-6%
Residential & Serviced Apartments	**127**	148	-14%
Total	**6,252**	6,512	-4%
Total in HK$ Million equivalent	***6,851***	*7,245*	*-5%*

In RMB terms, overall rental revenue and operating profit receded by 4% and 6%, respectively. The decreases escalated to 5% and 8%, respectively, in HKD terms, owing to the depreciation of the RMB during the year. Softened consumer sentiment in local markets and an increase in outbound travel were the primary causes of the drop in our malls' revenue. The decline in demand for office spaces in a highly competitive environment was the main cause of the 6% reduction of our premium office portfolio's revenue.

- *Malls*

Revenue from our malls fell by 3%, while our luxury-positioned mall portfolio decreased by 4%, primarily due to lower sales rents amid weakened consumer sentiment in the luxury market and fierce price promotions from competitors in some cities. However, as of December 2024, overall occupancy was still high and demonstrated mild growth while foot traffic was stable. With occupancy rates continuing to rise, our sub-luxury malls enjoyed a healthy growth of 4% in revenue, ranging from 1% at Parc 66 in Jinan to 12% at Riverside 66 in Tianjin.

[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.

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 experienced a 6% decline in revenue and a 22% drop in tenant sales, both from a high base. This was mainly due to our lower-tier customers becoming more cautious with their high-end spending and looking for bargains abroad, while our top-tier customers continued to engage with exclusive premium products offered at the mall. We successfully opened several new stores, marking the brands' first appearances on the Mainland—some of them the first in Asia—refining our luxury leadership. We also held a number of captivating events, such as the "Spring Wonderland" celebration in April and our well-received trademark event, the "HOME TO LUXURY" party, strengthening our relationships with loyal customers, attracting new members, and solidifying our leading position in Shanghai and the Mainland. At the end of the year, the occupancy rate stayed high at 99%.

Grand Gateway 66—another Shanghai mall that provides more lifestyle-oriented content than its flagship sister—recorded a fall in revenue and tenant sales of 3% and 12%, respectively. Throughout the year, a multitude of diverse marketing campaigns were rolled out to boost foot traffic, such as the exclusive in-mall event "Love in the Summer," held in May, which successfully garnered viral attention on social media. In late October, we also hosted the lavish "Gateway to Inspiration" celebration, which featured a range of entertainment and sales-driven activities with celebrities and in-depth partnerships with tenants. At the end of the year, the occupancy rate remained high at 99%.

Revenue and tenant sales at the **Forum 66** mall decreased by 16% and 25%, respectively. Given the competitive environment, the mall is undertaking a repositioning to improve its lifestyle offerings and food and beverage options. The occupancy rate stood at 87% at the end of the year.

Despite a minor drop in tenant sales of 3%, **Center 66**, Wuxi's leading luxury shopping destination, recorded a revenue growth of 2%. The mall's top-place standing in the city for luxury shopping has been cemented by the arrival of several high-end luxury brands in recent years, many of which were new to the region. Its anniversary celebration in September, "Take Center Stage" , amplified its connection with customers. Occupancy was still strong at 99% at the close of the year.

The prominent luxury landmark in Dalian, **Olympia 66**, recorded a 8% growth in revenue and a 3% increase in tenant sales. The occupancy rate rose for the fourth year in a row, increasing by four points to 94%. This steady growth was prompted by ongoing improvements to the mall's trade mix and branding across categories and floors. Numerous marketing events, including "Blooming Dreams" in April and "Shining Olympia" in September, attracted positive feedback and generated significant foot traffic.

The **Spring City 66** mall in Kunming experienced a modest decline of 2% in revenue and 8% in tenant sales. Several signature events, including the "520" festival in May and the fifth-anniversary celebration "Spring into Life" in November, were introduced to deepen relationships with customers and increase foot traffic. By the end of the year, the occupancy rate reached a noteworthy high of 98%. The private VIC lounge, The Lounge, was launched in November, giving HOUSE 66 members access to exceptional shopping experiences. Furthermore, the opening of Grand Hyatt Kunming in August 2024 is set to enhance the mall's standing as a premier retail and lifestyle destination in Southwest China.

In the face of challenging market conditions and intense price promotion from competitors in the city, the **Heartland 66** mall in Wuhan experienced a drop in revenue and tenant sales of 19% and 22%, respectively, compared to last year. To boost foot traffic and customer loyalty, we continue to refine the tenant mix and implement proactive strategies alongside our CRM program. By the end of the year, the occupancy rate increased by three points to 85%. The opening of our VIC lounge, The Lounge, in May enables us to offer exclusive shopping experiences to HOUSE 66 members.

Sub-luxury malls

Palace 66 in Shenyang recorded a 3% rise in revenue and 1% growth in tenant sales. Numerous events, including “Dream World” from March to May and “Magical Halloween” in October, were warmly welcomed. To reach a larger segment of customers, we concentrated on broadening our brand collection. As a result of our efforts, the occupancy rate rose by four points to 94% by the end of the year. The planned food court renovations are set to cater to a wider range of food and beverage preferences, ultimately boosting footfall.

Despite a drop in tenant sales of 1%, the revenue of **Parc 66** in Jinan edged up by 1%, and occupancy rate stayed at 93% at year-end. Since finishing the first phase of the Asset Enhancement Initiative (AEI), the mall has launched exclusive new stores and expanded its line-up of brands. Adding more beauty and athleisure brands has boosted the mall’s appeal and increased its profitability. The AEI was in its final stage as of December 2024.

Revenue and tenant sales of **Riverside 66** in Tianjin grew by 12% and 8%, respectively. The occupancy rate increased by five points to 95%. We implemented focused marketing and promotion initiatives all year long and collaborated with the local government to plan activities, including the New Year’s Eve countdown, begonia flower decorations on the centennial wall, and a youth art festival. A jewelry garden and kids’ amusement zone were just two of the many placemaking initiatives we introduced, which enhanced foot traffic and tenant sales.

- *Offices*

In the face of economic uncertainty, the office leasing market remained sluggish. Overall revenue declined by 6% to RMB1,320 million compared to last year, primarily because of reduced occupancy rates as market supply increased and tenants became more cost conscious in general. We implemented proactive measures and maintained a high standard of property management services to retain our high-quality tenants.

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%
Grand Gateway 66, Shanghai	**225**	240	-6%	**91%**	86%
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	**1,320**	1,401	-6%		

Revenue from our two Grade A office towers at **Plaza 66** in Shanghai fell by 9% due to the decline in the occupancy rate by nine points to 87% at the end of the year after the expiration of several leases. Subdued demand and excessive supply remain a challenge in Shanghai.

Revenue of the office tower at **Grand Gateway 66** in Shanghai retreated by 6%, despite the occupancy rate rising by five points to 91% at year-end. Local market conditions continued to face difficulties and remained sluggish. The weak market sentiment and growing office space availability have put pressure on office rents.

In the midst of soft demand and an oversupply of new office premises in the district, the revenue of the office tower at **Forum 66** in Shenyang receded by 2%. The occupancy rate rose by one point, standing at 90% at the close of the year.

Resulting from a rise in the occupancy rate by three points to 88% at year-end, the total revenue of the two office towers at **Center 66** in Wuxi grew by 4%. Thanks to our premium offerings and superior services, as well as the flexibility and product diversity offered by our own co-working operation, HANGOUT, the overall unit rent remained at a steady level during the year.

The revenue of the office tower at **Spring City 66** in Kunming decreased slightly by 1%, while the occupancy rate dropped by two points to 86% at the end of the year. Despite the challenging market environment, we maintained our leading position by leveraging the tower's prime location, top-notch facilities and premium services. Grand Hyatt Kunming, which opened in August, can accommodate large-scale conferences and corporate events, creating a dynamic community that will, in turn, draw in more high-caliber tenants.

The revenue of the office tower at **Heartland 66** in Wuhan dropped by 4% year-on-year. Stemming from volatile market conditions, the occupancy rate declined by 10 points to 66% at the end of the year. Our self-operated multifunctional workspace, HANGOUT, will continue to attract new tenants through its adaptable office configurations that address the evolving needs of businesses and foster collaborative interaction.

- *Residential & Serviced Apartments*

Revenue from the residential and serviced apartments at Grand Gateway 66 in Shanghai experienced a 14% decline. Revenue growth from a higher average room rate was counterbalanced by a reduction in the occupancy rate, as the serviced apartment building is set to be converted into a hotel property under the Kimpton Hotels & Restaurants brand.

Hong Kong

In 2024, the business environment in Hong Kong remained under pressure due to inevitable competition from neighboring cities and regions. Consumer sentiment was subdued, influenced by a continuing shift in tourist spending habits and the growing trend of local residents traveling north. Retailers and restaurants stayed reluctant to expand their operations, and the demand for office leasing remained sluggish.

Revenue and operating profits receded by 9% to HK$3,182 million and by 11% to HK$2,478 million, respectively, with a rental margin of 78%.

Occupancy has been diligently managed and achieved a high level due to continual efforts to enhance our tenant mix and appeal to meet 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	**1,837**	2,027	-9%	**94%**	95%
Offices and Industrial/Office	**1,129**	1,219	-7%	**89%**	89%
Residential & Serviced Apartments	**216**	234	-8%	**88%**	77%
Total	**3,182**	3,480	-9%		

- *Retail*

Revenue from our Hong Kong retail portfolio receded by 9% to HK$1,837 million. We continued to enhance our leasing strategy and tenant mix to tackle sluggish consumer confidence. The overall occupancy rate slightly decreased to 94% at the end of the year.

Tenant sales dropped mildly by 4% year-on-year in response to the weakened market sentiment. We will continue to launch targeted marketing campaigns under the "hello Hang Lung Malls Rewards Program" to stimulate consumption.

Due to the negative rental reversions of some anchor tenants, the revenue of retail properties in our **Central Business and Tourist District Portfolio** dropped by 14%. Overall occupancy stayed high at 95% at the end of the year.

Our **Community Mall Portfolio** was relatively 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 remained high at 92% and 95%, respectively, at the end of the year.

- *Offices and Industrial/Office*

Revenue declined by 7% to HK$1,129 million as a result of negative rental reversions driven by oversupply and low demand on Hong Kong Island. We took proactive steps to maintain a relatively high occupancy rate of 89% at year-end.

Our **Hong Kong Island Portfolio** experienced a 14% decline in revenue due to negative rental reversions—mainly affecting properties in Central—while occupancy held steady at 83% amid sluggish market conditions at the end of the year.

Benefiting from the resilient semi-retail positioning of Grand Plaza and Gala Place, the revenue of our **Kowloon Portfolio** rose by 2% with the average occupancy rate rising to 95%.

- *Residential & Serviced Apartments*

Revenue of our residential and serviced apartments segment decreased 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 because of improvements in occupancy at Burnside Villa in Repulse Bay.

PROPERTY SALES

Revenue of HK$1,538 million (2023: HK$2 million) was recognized during the reporting year 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.

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

An operating loss from property sales of HK$245 million was recorded after 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 specific development projects, the marketing expenses for Center Residences in Wuxi, and other operating expenditures.

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** dropped by 2% against last year. Our room revenue grew by 3%, which was offset by a decline in food and beverage sales.

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$198,559 million, including the mainland China portfolio of HK$134,281 million and the Hong Kong portfolio of HK$64,278 million. These properties were appraised by Savills, an independent valuer, as of December 31, 2024.

A revaluation loss of HK$1,197 million was recorded (2023: loss of HK$62 million).

The mainland China portfolio recorded a revaluation loss of HK$851 million (2023: gain of HK$260 million), representing less than 1% of the portfolio value as of December 31, 2023.

The Hong Kong portfolio had a revaluation loss of HK$346 million (2023: loss of HK$322 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$714 million was reported (2023: net revaluation loss of HK$120 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$13.4 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.

Kimpton Xujiahui Shanghai, a luxury boutique brand under the InterContinental Hotels & Resorts, has been introduced as part of Grand Gateway 66's ongoing revitalization project. Featuring close to 150 rooms, the hotel is scheduled to open in 2027. Construction work is expected to begin in the first half of 2025.

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 a variety of financing channels to ensure that financial resources are always available to meet operational needs and corporate expansions. There are enough standby banking facilities in place to protect the Group against unforeseen market dislocations.

All financial risk management, including debt refinancing, foreign exchange exposure, and interest rate volatility, is centrally managed and controlled at the corporate level. We only employ interest rate and foreign currency swaps where necessary for hedging and risk management. In order to optimize the cost of funds while allowing for an appropriate level of financial flexibility and liquidity, funding needs are closely evaluated and diligently managed. Various sources of debt financing are in place to mitigate concentration risks.

For debt portfolio management, we focus on mitigating foreign exchange, interest rate, and refinancing risks through a combination 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	**8,415**	*78%*	3,798	*60%*
RMB	**2,400**	*22%*	2,370	*37%*
USD	**2**	-	175	*3%*
Total cash and bank balances	**10,817**	*100%*	6,343	*100%*

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

- *Debt Portfolio*

At the balance sheet date, total borrowings amounted to HK$57,794 million (December 31, 2023: HK$50,693 million), of which 36% 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 55% 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	**37,123**	*64%*	35,909	*71%*
RMB	**20,671**	*36%*	14,784	*29%*
Total borrowings	**57,794**	*100%*	50,693	*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	**34,069**	*59%*	32,117	*63%*
Total borrowings	**57,794**	*100%*	50,693	*100%*

- *Gearing Ratios*

At the balance sheet date, the net debt balance amounted to HK$46,977 million (December 31, 2023: HK$44,350 million). The net debt to equity ratio was 30.8% (December 31, 2023: 28.6%), and the debt to equity ratio was 37.9% (December 31, 2023: 32.7%). 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.

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$96 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 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, Hang Lung Properties 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 our future growth, 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	**33,713**	*58%*	27,768	*55%*
Over 5 years	**3,882**	*7%*	4,400	*8%*
Total borrowings	**57,794**	*100%*	50,693	*100%*

As of December 31, 2024, total undrawn committed banking facilities amounted to HK$13,955 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$2,078 million, equivalent to HK$16,134 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$1,420 million (December 31, 2023: HK$2,850 million).

- *Net Finance Costs and Interest Cover*

For the year ended December 31, 2024, gross finance costs rose by 7% to HK$2,130 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$887 million accordingly.

Interest cover for 2024 was 3.0 times (2023: 3.8 times).

- *Foreign Exchange Management*

RMB fluctuations are our principal exchange rate risk. Our exposure is primarily determined by the currency translation risk from our subsidiaries' net assets in mainland China.

We refrain from speculating on the movement of the RMB against the HKD. Considering the cash inflows from local operations and RMB borrowings, we maintain an appropriate level of RMB resources to meet our capital needs in mainland China. We regularly conduct business reviews to assess the funding required for our mainland China projects, guided by regulatory restrictions, project development schedules, and the market environment. Our funding plan is modified to accommodate any changes in circumstances.

As of December 31, 2024, net assets denominated in RMB accounted for approximately 68% 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$2,269 million (2023: loss of HK$1,693 million), recognized in other comprehensive income/exchange reserve.

- *Charge of Assets*

The Group's assets were not charged to third parties as of December 31, 2024.

- *Contingent Liabilities*

The Group 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 61% 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 arising from geopolitical tensions between the U.S. and China and new tariffs being imposed on Chinese products are undermining Chinese economic recovery, while the strong U.S. dollar and the trajectory of U.S. Federal Reserve rates are dampening the outlook for a global economic rebound. Amid these challenges, we remain dedicated to enhancing our operational flexibility and core strengths to position ourselves to thrive in an increasingly complex environment.

In mainland China, affluent shoppers continue to show interest in luxury goods despite economic hurdles while increasingly focusing on distinctive shopping experiences. We are committed to rolling out best-in-class marketing initiatives and leveraging our HOUSE 66 CRM program to enhance our relationships with loyal customers and attract new customers. For our sub-luxury malls, we aim to take advantage of the positive trend of rising occupancy rates driven by our tenant mix optimizations. Our latest addition, Westlake 66 in Hangzhou, is set to see the phased completion of multiple office towers and the opening of the shopping mall starting in 2025. Pre-leasing efforts look optimistic, with major multinational companies and leading brands, including our current tenants from the 66 series, expressing keen interest in this landmark destination. Our hotel portfolio is expanding, marked by the launch of the Grand Hyatt Kunming in August 2024. Curio Collection by Hilton in Wuxi and the Mandarin Oriental Hangzhou, as well as Kimpton Xujiahui Shanghai, are expected to be completed in the coming years, which will boost foot traffic to our malls and entice prestigious tenants for both our offices and retail spaces as we create more venues for business, lifestyle, and social events. In the office market, tenants are continuing to implement cost control measures to enhance efficiency, making them cautious about expansion. We will uphold our excellent standards of service to retain premium tenants.

In Hong Kong, we are seeing initial signs of recovery in both visitor arrivals and retail sales from government initiatives; however, travel patterns continue to trend northbound and consumer sentiment remains soft. Due to the sluggish economic climate, demand for office space is expected to remain stagnant. We will continue to strive to be adaptive and attentive to the changing needs of businesses. Our premium coworking facility, “Net-Work by Hang Lung”, located at the Standard Chartered Bank Building in the heart of Central, was recently introduced, providing versatile solutions for businesses of all sizes to broaden 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. Another project by Hang Lung Residences in mainland China, Center Residences in Wuxi, 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 connected to our premier integrated complex, which includes a retail mall and office towers. Residents seeking premium living standards and affluent buyers from other cities prioritizing business convenience will be drawn to our distinctive offerings and exceptional management services. In Hong Kong, the acquisition of all units at 8-12A Wilson Road, nestled in the heart of the tranquil ultra-high-net-worth neighborhood of Jardine’s Lookout on Hong Kong Island, was completed in January 2025. This redevelopment project enhances our diverse collection of luxurious residences, all strategically located in Hong Kong’s most prestigious neighborhoods.

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

				For information purpose only	
	Note	**2024 HK$ Million**	2023 HK$ Million	**2024 RMB Million**	2023 RMB Million
Revenue	2(a)	**11,760**	10,881	**10,788**	9,803
Direct costs and operating expenses		**(4,934)**	(3,087)	**(4,538)**	(2,781)
		6,826	7,794	**6,250**	7,022
Other net income	3	**25**	13	**23**	11
Administrative expenses		**(672)**	(680)	**(620)**	(615)
Profit from operations before changes in fair value of properties		**6,179**	7,127	**5,653**	6,418
Decrease in fair value of properties		**(1,197)**	(62)	**(1,105)**	(57)
Profit from operations after changes in fair value of properties		**4,982**	7,065	**4,548**	6,361
Interest income		**60**	102	**55**	92
Finance costs		**(947)**	(720)	**(873)**	(653)
Net interest expense	4	**(887)**	(618)	**(818)**	(561)
Share of profits of joint ventures		**157**	127	**146**	115
Profit before taxation	5	**4,252**	6,574	**3,876**	5,915
Taxation	6	**(1,416)**	(1,659)	**(1,294)**	(1,494)
Profit for the year	2(b)	**2,836**	4,915	**2,582**	4,421
Attributable to:					
Shareholders		**1,613**	2,811	**1,467**	2,529
Non-controlling interests		**1,223**	2,104	**1,115**	1,892
Profit for the year		**2,836**	4,915	**2,582**	4,421
Earnings per share	8(a)				
Basic		**HK$1.18**	HK$2.06	**RMB1.08**	RMB1.86
Diluted		**HK$1.18**	HK$2.06	**RMB1.08**	RMB1.86

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	**2,836**	4,915	**2,582**	4,421
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	**(2,417)**	(1,684)	**1,454**	669
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	**(2,218)**	(1,767)	**1,501**	594
Total comprehensive income for the year	**618**	3,148	**4,083**	5,015
Attributable to:				
Shareholders	**282**	1,765	**2,445**	2,883
Non-controlling interests	**336**	1,383	**1,638**	2,132
Total comprehensive income for the year	**618**	3,148	**4,083**	5,015

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	**174,558**	177,458	**162,698**	161,144
Investment properties under development	9	**24,001**	23,610	**22,226**	21,398
Property, plant and equipment		**2,838**	328	**2,630**	298
Interests in joint ventures		**4,456**	4,450	**4,199**	4,056
Other assets		**1,434**	1,433	**1,351**	1,306
Deferred tax assets		**143**	145	**135**	132
		207,430	207,424	**193,239**	188,334
Current assets					
Cash and deposits with banks		**10,817**	6,343	**10,153**	5,768
Trade and other receivables	10	**3,211**	3,441	**2,994**	3,125
Properties for sale		**13,510**	14,244	**12,623**	12,948
		27,538	24,028	**25,770**	21,841
Current liabilities					
Bank loans and other borrowings		**9,340**	4,434	**8,749**	4,029
Trade and other payables	11	**9,189**	10,136	**8,550**	9,200
Lease liabilities		**23**	30	**21**	27
Current tax payable		**314**	479	**292**	435
		18,866	15,079	**17,612**	13,691
Net current assets		**8,672**	8,949	**8,158**	8,150
Total assets less current liabilities		**216,102**	216,373	**201,397**	196,484
Non-current liabilities					
Bank loans and other borrowings		**48,454**	46,259	**45,471**	42,100
Lease liabilities		**240**	248	**222**	225
Deferred tax liabilities		**14,720**	14,950	**13,642**	13,551
		63,414	61,457	**59,335**	55,876
NET ASSETS		**152,688**	154,916	**142,062**	140,608
Capital and reserves					
Share capital		**4,065**	4,065	**3,164**	3,164
Reserves		**91,711**	90,295	**85,987**	82,497
Shareholders' equity		**95,776**	94,360	**89,151**	85,661
Non-controlling interests		**56,912**	60,556	**52,911**	54,947
TOTAL EQUITY		**152,688**	154,916	**142,062**	140,608

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 Group 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	**-**	**-**	**-**	**8,801**	**8,801**
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	**-**	**1,232**	**1,232**	**-**	**1,232**
	1,615	**1,344**	**2,959**	**8,801**	**11,760**

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	-	-	-	9,472	9,472
Sales of completed properties	2	-	2	-	2
Hotel revenue	65	89	154	-	154
Building management fees and other income from property leasing	-	1,253	1,253	-	1,253
	67	1,342	1,409	9,472	10,881

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	**6,851**	**56**	**189**	**7,096**	7,245	-	154	7,399
- Hong Kong	**3,182**	**1,482**	**-**	**4,664**	3,480	2	-	3,482
	10,033	**1,538**	**189**	**11,760**	10,725	2	154	10,881
Profit/(loss) from operations before changes in fair value of properties								
- Mainland China	**4,245**	**(197)**	**(63)**	**3,985**	4,617	(44)	1	4,574
- Hong Kong	**2,242**	**(48)**	**-**	**2,194**	2,548	5	-	2,553
	6,487	**(245)**	**(63)**	**6,179**	7,165	(39)	1	7,127
(Decrease)/increase in fair value of properties	**(1,197)**	**-**	**-**	**(1,197)**	(62)	-	-	(62)
- Mainland China	**(851)**	**-**	**-**	**(851)**	260	-	-	260
- Hong Kong	**(346)**	**-**	**-**	**(346)**	(322)	-	-	(322)
Net interest expense	**(887)**	**-**	**-**	**(887)**	(618)	-	-	(618)
- Interest income	**60**	**-**	**-**	**60**	102	-	-	102
- Finance costs	**(947)**	**-**	**-**	**(947)**	(720)	-	-	(720)
Share of profits of joint ventures	**157**	**-**	**-**	**157**	127	-	-	127
Profit/(loss) before taxation	**4,560**	**(245)**	**(63)**	**4,252**	6,612	(39)	1	6,574
Taxation	**(1,397)**	**(19)**	**-**	**(1,416)**	(1,660)	1	-	(1,659)
Profit/(loss) for the year	**3,163**	**(264)**	**(63)**	**2,836**	4,952	(38)	1	4,915
Net profit/(loss) attributable to shareholders	**1,817**	**(165)**	**(39)**	**1,613**	2,832	(22)	1	2,811

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	**136,440**	**6,640**	**2,544**	**145,624**	137,762	6,452	2,151	146,365
Hong Kong	**64,577**	**7,917**	**-**	**72,494**	63,965	8,751	-	72,716
	201,017	**14,557**	**2,544**	**218,118**	201,727	15,203	2,151	219,081
Interests in joint ventures				**4,456**				4,450
Other assets				**1,434**				1,433
Deferred tax assets				**143**				145
Cash and deposits with banks				**10,817**				6,343
				234,968				231,452

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	**1**	2
	25	13

4. NET INTEREST EXPENSE

HK$ Million	2024	2023
Interest income on bank deposits	**60**	102
Interest expense on bank loans and other borrowings	**2,016**	1,876
Interest on lease liabilities	**13**	14
Other borrowing costs	**101**	97
Total borrowing costs	**2,130**	1,987
Less: Borrowing costs capitalized	**(1,183)**	(1,267)
Finance costs	**947**	720
Net interest expense	**(887)**	(618)

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)	**1,556**	1,560
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$1,860 million (2023: HK$1,873 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	**260**	293
Under-provision in prior years	**5**	5
	265	298
Mainland China Income Tax	**1,084**	1,104
Total current tax	**1,349**	1,402
Deferred tax		
Changes in fair value of properties	**(44)**	94
Other origination and reversal of temporary differences	**111**	163
Total deferred tax	**67**	257
Total income tax expense	**1,416**	1,659

7. DIVIDENDS

(a) Dividends attributable to the year

HK$ Million	**2024**	2023
Interim dividend declared and paid of HK21 cents (2023: HK21 cents) per share	**286**	286
Final dividend of HK65 cents (2023: HK65 cents) per share proposed after the end of the reporting period	**885**	885
	1,171	1,171

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

(b) The final dividend of HK$885 million (calculated based on HK65 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$885 million).

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	**1,613**	2,811

	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 years as there were no dilutive potential ordinary shares in existence during both years.

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	**1,613**	2,811
Effect of changes in fair value of properties	**1,197**	62
Effect of income tax for changes in fair value of properties	**(44)**	94
Effect of changes in fair value of investment properties of joint ventures	**(39)**	(5)
	1,114	151
Non-controlling interests	**(400)**	(31)
	714	120
Underlying net profit attributable to shareholders	**2,327**	2,931

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

	2024	2023
Basic	**HK$1.71**	HK$2.15
Diluted	**HK$1.71**	HK$2.15

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$3,773 million (2023: HK$3,653 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**	139
1 – 3 months past due	**16**	9
More than 3 months past due	**2**	2
	184	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.

11. TRADE AND OTHER PAYABLES

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

HK$ Million	**2024**	2023
Due within 3 months	**1,404**	2,123
Due after 3 months	**2,660**	2,305
	4,064	4,428

OTHER INFORMATION

Employees

As of December 31, 2024, the number of employees was 4,004 (comprising 927 Hong Kong employees and 3,077 mainland China employees). The total employee costs for the year ended December 31, 2024, amounted to HK$1,860 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 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. The Group's 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
Non-Executive Directors: Mr. Gerald L. CHAN, Mr. George K.K. CHANG and Mr. Roy Y.C. CHEN
Independent Non-Executive Directors: Mr. Simon S.O. IP, Prof. P.W. LIU, Prof. L.C. TSUI, Mr. Martin C.K. LIAO and Ms. May S.B. TAN

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

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

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

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

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

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

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