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HENDERSON LAND DEVELOPMENT COMPANY LIMITED
恒 基 兆 業 地 產 有 限 公 司
Incorporated in Hong Kong with limited liability
(Stock Code : 12)

2025 INTERIM RESULTS ANNOUNCEMENT

CHAIRMEN'S STATEMENT

INTERIM RESULTS AND DIVIDEND

The Group's (unaudited) underlying profit attributable to equity shareholders for the six months ended 30 June 2025 amounted to HK$3,048 million, representing a decrease of HK$2,393 million or 44% from HK$5,441 million for the same period last year. The underlying earnings per share was HK$0.63 (2024: HK$1.12). The decrease in underlying profit for the period under review was mainly due to an attributable gain in the aggregate amount of approximately HK$2,503 million which was recognised in the same period last year as a result of the Government's resumption of certain land lots in New Development Areas, as well as the disposal of the company holding Harbour East, an investment property located in North Point.

During the first half of 2025, the Group recorded a fair value loss of HK$140 million (2024: HK$2,267 million) after revaluation of the Group's completed investment properties and investment properties under development. This included the adjustments of cumulative changes in the fair value of disposed investment properties. After taking into account the fair value loss, the reported profit attributable to equity shareholders for the six months ended 30 June 2025 was HK$2,908 million, representing a decrease of HK$266 million or 8% from HK$3,174 million for the same period last year. The reported earnings per share was HK$0.60 (2024: HK$0.66).

The Board has declared an interim dividend of HK$0.5 per share (2024: HK$0.5 per share) to shareholders whose names appear on the Register of Members of the Company on Monday, 8 September 2025 and such interim dividend will not be subject to any withholding tax in Hong Kong.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 5 September 2025 to Monday, 8 September 2025, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 4 September 2025. The interim dividend will be distributed to shareholders on Wednesday, 17 September 2025.

BUSINESS REVIEW

Hong Kong

Property Sales

During the period under review, a series of tariff measures announced by the United States has added uncertainty to the global trade and economic outlook. To counteract economic and geopolitical headwinds, the Hong Kong SAR Government has actively promoted inbound tourism, implemented various talent policies and worked on developing Hong Kong into an international education hub. In the 2025-26 Budget, the Government announced a reduction in stamp duty for certain property transactions. This measure, along with improved sentiment in the local stock market, and a sustained inflow of funds dedicated to risk mitigation which has led to varying degrees of reductions in Hong Kong Dollar interest rate, have benefitted the local property market.

During the first half of 2025, the Group's attributable revenue from property development in Hong Kong amounted to approximately HK$3,812 million, representing a period-on-period decrease of 22%. The Group's attributable profit before taxation from property development in Hong Kong amounted to approximately HK$310 million (2024: HK$1,499 million). The decrease in profit was mainly due to an attributable gain before taxation of approximately HK$1,055 million, recognised in the same period last year, from the Government's resumption of certain land lots in New Development Areas.

During the first half of 2025, the Group launched a number of urban residential developments for sale, including Belgravia Place (Phase 2) in Cheung Sha Wan, Eight Southpark in Ma Tau Kok and Miami Quay (Phase 2) in Kai Tak. Eight Southpark in Ma Tau Kok, in particular, was well received and all 181 residential units available in the first round of sale were sold on the first day of launch. Other launched projects have also achieved satisfactory sales results. Caine Hill in Mid-Levels was almost sold out. As regards the first five phases of Square Mile series in Mong Kok, about 95% of the residential units were sold by the end of June 2025. Together with the sale of other properties (including car parks), contracted sales attributable to the Group in Hong Kong amounted to approximately HK$6,298 million for the six months ended 30 June 2025.

At the end of June 2025, attributable contracted sales of approximately HK$10,424 million are yet to be recognised as revenue, of which approximately HK$7,756 million is expected to be recognised in the second half of 2025 upon completion of the relevant developments and handover of the completed units to buyers.

Property Development

The Group and another owner recently completed the in-situ land exchange for the following land lot in Hung Shui Kiu/Ha Tsuen New Development Area:

Location	**Type of development**	**Site area (sq. ft.)**	**Interest of the Group (%)**	**Estimated gross floor area attributable to the Group (sq. ft.)**	**Land premium attributable to the Group (HK$ million)**
Area 34B Hung Shui Kiu/Ha Tsuen New Development Area	Commercial/ Residential	178,718	50.00	580,828	931.36

As regards the Group's urban redevelopment projects, a total gross floor area of approximately 1.2 million square feet attributable to the Group has been earmarked for sales launch in the second half of 2025. In addition, urban redevelopment projects which the Group has acquired 100% ownership interest or met the relevant compulsory sale application threshold are expected to provide a gross floor area of approximately 1.7 million square feet attributable to the Group and become available for sale or lease in 2026 or beyond.

The Group will continue to replenish its land bank in Hong Kong through a variety of channels. Other than those earmarked for rental purposes, the Group's land reserves will be sufficient to meet its development needs in the next few years. Details of the Group's projects are set out in the tables below:

Below is a summary of projects pending/under development and major completed projects:

			Saleable/gross floor area attributable to the Group (million sq. ft.) *(Note 1)*	Remarks
(A)	**Projects available for sale in the second half of 2025**			
1.	Unsold units of major development projects offered for sale	(Table 1)	1.3	
2.	Projects to be launched for sale in the second half of 2025	(Table 2)	1.5	
		Sub-total:	**2.8**	
(B)	**Projects in Urban Areas**			
3.	Urban Redevelopment Projects			
	3.1 with 100% ownership interest acquired or the relevant compulsory sale application threshold has been met	(Table 3)	1.7	
	3.2 with more than 20% ownership interest acquired, but the relevant compulsory sale application threshold has not been met	(Table 4)	0.6	Redevelopment is subject to the successful acquisition of 100% ownership interest
4.	Site 3 of New Central Harbourfront (Inland Lot No. 9088)		1.6	To be held for rental purposes upon completion
5.	Yau Tong Bay project		0.9	*(Note 2)*
6.	Others		0.2	
		Sub-total:	**5.0**	
(C)	**Projects in the New Territories**			
7.	Fanling Sheung Shui Town Lot No. 263, Kwu Tung		0.3	
8.	Area 34B, Hung Shui Kiu/Ha Tsuen New Development Area		0.6	
9.	Hung Shui Kiu projects		2.8	*(Note 2)*
10.	Others		0.4	*(Note 2)*
		Sub-total:	**4.1**	
		Total:	**11.9**	

Note 1: Gross floor area is calculated based on the general building plans approved by the Buildings Department or the Government's latest town planning parameters, as well as the Company's development plans and is subject to change.

Note 2: Developable area will be confirmed after reaching an agreement with the Government on the amount of land premium payable. The Yau Tong Bay project shifted to a phased development approach and the Government has issued the provisional basic terms offer for Phase 1.

(Table 1) Unsold units of major development projects offered for sale

There are 26 major development projects with unsold units:

	Project name and location	Gross floor area (sq. ft.)	Type of development	As at 30 June 2025 No. of unsold residential units	Saleable area of unsold units (sq. ft.)	Interest of the Group (%)	Saleable area of unsold units attributable to the Group (sq. ft.)
1.	The Henley 7 Muk Tai Street Kai Tak	654,602	Commercial/ Residential	424	233,791	100.00	233,791
2.	Henley Park 8 Muk Tai Street Kai Tak	397,967	Residential	293	161,923	100.00	161,923
3.	Miami Quay (Phases 1 and 2) 23 Shing Fung Road Kai Tak	574,614	Residential	1,073	434,041	29.30	127,174
4.	Eden Manor 88 Castle Peak Road Kwu Tung	555,399	Residential	82	95,123	100.00	95,123
5.	The Haddon 1 Whampoa Street Hung Hom	186,539	Commercial/ Residential	317	94,760	100.00	94,760
6.	The Paddington 456 Sai Yeung Choi Street North Cheung Sha Wan	171,664	Residential	251	75,652	100.00	75,652
7.	Belgravia Place (Phases 1 and 2) 1 Berwick Street Cheung Sha Wan	416,317	Commercial/ Residential	250	70,990	100.00	70,990
8.	The Knightsbridge 22 Shing Fung Road Kai Tak	641,165	Commercial/ Residential	405	338,845	18.00	60,992
9.	Baker Circle One (Phases 1-3) 38 Gillies Avenue South, 33 Whampoa Street and 18 Bulkeley Street Hung Hom	339,993	Commercial/ Residential	210	53,655	100.00	53,655
10.	One Innovale 8 Ma Sik Road, Fanling	612,685	Residential	60	31,670	100.00	31,670

11.	Double Coast (Phase 1) 19 Shing Fung Road Kai Tak	181,664	Residential	197	80,638	30.00	24,191
12.	Gateway•Square Mile 1 Ka Shin Street Mong Kok	88,367	Commercial/ Residential	77	21,473	100.00	21,473
13.	The Harmonie 233 Castle Peak Road Cheung Sha Wan	159,748	Commercial/ Residential	61 *(Note 1)*	21,170 *(Note 1)*	100.00	21,170 *(Note 1)*
14.	Wellesley 23 Robinson Road Mid-Levels West	156,900 *(Note 2)*	Residential	21	37,194	50.00 *(Note 2)*	18,597
15.	Eight Southpark 8 Nam Kok Road Ma Tau Kok	117,994	Commercial/ Residential	50	13,764	76.468	10,525
16.	The Upper South 71 Main Street Ap Lei Chau	40,318	Commercial/ Residential	47	9,509	100.00	9,509
17.	The Quinn•Square Mile 5 Sham Mong Road Mong Kok	242,509	Commercial/ Residential	32	8,234	100.00	8,234
18.	The Hampstead Reach 8 Ping Kin Lane Yuen Long	27,868	Residential	3	5,427	100.00	5,427
19.	The Royale 8 Castle Peak Road - Castle Peak Bay Tuen Mun	663,062	Residential	34	24,271	16.705	4,054
20.	South Walk•Aura 12 Tin Wan Street Aberdeen	37,550	Commercial/ Residential	14	3,443	100.00	3,443
21.	Aquila•Square Mile 38 Fuk Chak Street Mong Kok	180,427	Commercial/ Residential	9	2,708	100.00	2,708
22.	The Addition 350 Un Chau Street Cheung Sha Wan	79,903	Commercial/ Residential	7	2,536	100.00	2,536

23.	Cetus•Square Mile 18 Ka Shin Street Mong Kok	176,256	Commercial/ Residential	7	2,419	100.00	2,419
24.	Global Gateway Tower 61A-61E and 63 Wing Hong Street Cheung Sha Wan	336,052	Industrial	Not applicable	75,693 *(Note 3)*	100.00	75,693 *(Note 3)*
25.	E-Trade Plaza 24 Lee Chung Street Chai Wan	173,850	Office	Not applicable	58,935 *(Note 3)*	100.00	58,935 *(Note 3)*
26.	Mega Cube 8 Wang Kwong Road Kowloon Bay	171,194	Office	Not applicable	48,622 *(Note 3)*	100.00	48,622 *(Note 3)*
			Total:	**3,924**	**2,006,486**		**1,323,266**

Note 1: Representing the Group's entitlement for this Urban Renewal Authority project.

Note 2: The Group has a 25.07% interest in the development project. Some of the residential units were allocated to and held by the Group and another developer on a 50:50 basis.

Note 3: Representing the saleable area of the office, industrial or shop area.

(Table 2) Projects to be launched for sale in the second half of 2025

The following projects will be launched for sale in the second half of 2025, unless the launch is delayed due to unforeseen circumstances:

	Project name and location	Gross floor area (sq. ft.)	Type of development	No. of residential units	Gross floor area of residential units (sq. ft.)	Interest of the Group (%)	Gross floor area of residential units attributable to the Group (sq. ft.)
1.	Victoria Voyage (Phase 1) 18 Shing Fung Road Kai Tak (formerly known as the project at New Kowloon Inland Lot No. 6554, Kai Tak) (launched for sale in August 2025)	590,132	Commercial/ Residential/ Government facilities	1,146	516,437 *(Note)*	30.00	154,931 *(Note)*
2.	68-76B To Kwa Wan Road, To Kwa Wan	382,203	Commercial/ Residential	812	318,504	100.00	318,504
3.	8 Castle Road Mid-Levels	472,067	Residential	172	472,067	65.00	306,844
4.	1 Bailey Street Hung Hom	717,464	Commercial/ Residential	1,296	597,886	50.00	298,943
5.	Double Coast (Phases 2 and 3) 19 Shing Fung Road Kai Tak	540,390	Residential	1,229	540,390	30.00	162,117
6.	2-16 Whampoa Street Hung Hom	134,874	Commercial/ Residential	241	113,277	100.00	113,277
7.	15 Wood Road Wan Chai	86,558	Commercial/ Residential	167	81,836	100.00	81,836
8.	18 Man On Street Mong Kok	57,766	Commercial/ Residential	126	52,343	100.00	52,343
9.	16-20 Temple Street Mong Kok	20,286	Commercial/ Residential	48	19,159	100.00	19,159
10.	29A Lugard Road The Peak	11,703	Residential	1	11,703	100.00	11,703
			Total:	**5,238**	**2,723,602**		**1,519,657**

Note : Representing the saleable area of the residential units.

(Table 3) Urban Redevelopment Projects – with 100% ownership interest acquired or the relevant compulsory sale application threshold has been met

There is an array of urban redevelopment projects with 100% ownership acquired or the relevant compulsory sale application threshold has been met. Based on the general building plans approved by the Buildings Department or the Government's latest town planning parameters, the expected gross floor area attributable to the Group of those projects is as follows:

		With 100% ownership interest <u>acquired</u>		With less than 100% ownership interest but the relevant compulsory sale application threshold has <u>been met*</u>		
By District		**Site area attributable to the Group (sq. ft.)**	**Expected gross floor area attributable to the Group upon completion of the redevelopment project (sq. ft.)**	**Site area attributable to the Group (sq. ft.)**	**Expected gross floor area attributable to the Group upon completion of the redevelopment project (sq. ft.)**	**Total expected gross floor area attributable to the Group (sq. ft.)**
Hong Kong						
1.	Mid-Levels	69,238	388,874	6,212	31,060	419,934
2.	Causeway Bay	4,497	47,113	2,019	18,171	65,284
3.	Aberdeen	4,950	42,075	2,868	25,506	67,581
4.	Quarry Bay	21,941	217,534			217,534
	Sub-total:	**100,626**	**695,596**	**11,099**	**74,737**	**770,333**
Kowloon						
5.	Tsim Sha Tsui	11,491	137,887			137,887
6.	Hung Hom	41,215	380,666	3,400	30,600	411,266 *(Note 1)*
7.	Tai Kok Tsui	18,545	166,897			166,897 *(Note 2)*
8.	Ho Man Tin	4,698	39,634			39,634
9.	Cheung Sha Wan	6,510	58,590			58,590 *(Note 3)*
10.	Kowloon City	10,954	97,231			97,231 *(Note 3)*
	Sub-total:	**93,413**	**880,905**	**3,400**	**30,600**	**911,505**
	Total:	**194,039**	**1,576,501**	**14,499**	**105,337**	**1,681,838**

* *To acquire all the undivided shares in the lots, the majority owner will make an application to the Lands Tribunal for an order for sale of the lots by way of public auction under the Land (Compulsory Sale for Redevelopment) Ordinance. If the Lands Tribunal refuses to make an order for sale, the majority owner may not be able to acquire the remaining undivided shares and proceed with the redevelopment projects.*

Note 1: Part of an urban renewal plan with a total gross floor area of more than 1 million square feet, of which approximately 660,000 square feet is attributable to projects (namely, Baker Circle•Dover, Baker Circle•Euston, Baker Circle•Greenwich, The Haddon and the project at Whampoa Street) which have been launched for sale or are proposed to be launched for sale in the second half of 2025.

Note 2: Part of an urban renewal plan with a total gross floor area of more than 1 million square feet, of which approximately 920,000 square feet is attributable to projects (namely, Eltanin•Square Mile, Cetus•Square Mile, Aquila•Square Mile, The Quinn•Square Mile, Gateway•Square Mile and the project at Man On Street) which have been launched for sale or are proposed to be launched for sale in the second half of 2025.

Note 3: The developable area may be subject to the Group reaching an agreement with the Government on the amount of land premium payable.

(Table 4) Urban Redevelopment Projects – with more than 20% ownership interest acquired, but the relevant compulsory sale application threshold has not been met

There are other redevelopment projects in various urban districts where acquisition of units in existing buildings is ongoing. Currently, more than 20% ownership interest of each project has been acquired, but the relevant compulsory sale application threshold has not been met. If the remaining interest is acquired, the sites will be redeveloped and upon completion, based on the Government's latest town planning parameters, the total gross floor area attributable to the Group will be approximately 1,770,000 square feet. Based on the Group's undivided shares in the lots, the total gross floor area attributable to the Group is approximately 640,000 square feet. However, these redevelopment projects are subject to the successful acquisition of the remaining interest in the relevant lots, which is uncertain.

Land Bank

As at 30 June 2025, the Group had a Hong Kong land bank with a total gross floor area of approximately 22.9 million square feet attributable to the Group, which comprised the following:

		Gross floor area attributable to the Group (million sq. ft.)
Projects pending sale or pending/under development *(Note)*		10.6
Unsold units of major development projects offered for sale		1.3
	Sub-total:	**11.9**
Completed investment properties (including hotels)		11.0
	Total:	**22.9**

Note: The above includes plots in Hung Shui Kiu and other project sites with a total developable area of approximately 3.2 million square feet attributable to the Group which will be confirmed after reaching an agreement with the Government on the amount of land premium payable.

Land in Urban Areas

In addition to projects scheduled for sales launch as described above, urban redevelopment projects which the Group has acquired 100% ownership interest or met the relevant compulsory sale application threshold are expected to provide a total gross floor area of approximately 1.7 million square feet attributable to the Group and become available for sale or lease in 2026 and beyond.

In January 2025, a wholly-owned subsidiary of the Group entered into an agreement for the sale of the land lot at No. 16 Kimberley Road, Kowloon, Hong Kong (the “Property”) together with a new hotel to be built and erected thereon by the Group to a wholly-owned subsidiary of Miramar Hotel and Investment Company, Limited, a listed subsidiary of the Group. As the conditions precedent to the completion of the transaction were not fulfilled, the relevant transaction was cancelled. The Group will continue the initiatives to demolish the existing building erected on the Property and redevelop the Property into a new hotel based on the approved general building plans.

As for Site 3 of New Central Harbourfront (Inland Lot No. 9088), main contract works are in progress. This mixed-use project includes 700,000 square feet of premium Grade-A office and ancillary space that offers the largest office floor plates in Central, 900,000 square feet of retail space and the first Broadway-style theatre in Hong Kong. This development also provides over 300,000 square feet of green recreational space, including a rooftop garden for public enjoyment. With the scheduled completion of Phase 1 in the fourth quarter of 2026 and the remaining phase in the fourth quarter of 2032, this project is poised to become another landmark in the Central Business District of Hong Kong. This project has been awarded the highest standard industry certifications for its sustainability-focused architectural design, including awards and accreditations from Leadership in Energy and Environmental Design (LEED), BEAM Plus, WiredScore, Construction Industry Council, Green Business Certification Inc., The Hong Kong Institute of Surveyors and Hong Kong Green Building Council.

The Yau Tong Bay mixed-use development project, in which the Group has a 22.8% interest, shifted to a phased development approach. The Government has issued the provisional basic terms offer for Phase 1 of the project but the amount of land premium payable is currently under appeal. Phase 1 will move forward only once an agreement is reached with the Government on the premium. This harbourfront development is expected to provide a total gross floor area of approximately 910,000 square feet attributable to the Group.

New Territories Land

During the first half of 2025, the Group acquired further New Territories land lots with a total land area of approximately 230,000 square feet. However, certain land lots with a total land area of approximately 340,000 square feet in Yuen Long South and Kam Tin were resumed by the Government for public use by payment of cash compensation in the total amount of approximately HK$359 million. As at 30 June 2025, the Group held land reserves in the New Territories amounting to approximately 41.9 million square feet in land area, which is still the largest holding among all property developers in Hong Kong:

By District	Land area attributable to the Group (million sq. ft.)
Yuen Long District	25.8
North District	12.1
Tai Po District	3.4
Tuen Mun District and others	0.6
Total:	**41.9**

In Hung Shui Kiu/Ha Tsuen New Development Area, apart from the above in-situ land exchange applications, the Group and another owner have applied for in-situ land exchange for four land lots. These lots are planned for commercial development and will provide an attributable gross floor area of about 2.8 million square feet in aggregate upon completion of the land exchange. According to the latest practice note issued by the Lands Department, the land premium for all in-situ land exchange applications in this district have to be agreed on or before 31 December 2025. Apart from the land lots designated for exchange as mentioned above, the Group currently owns land with a total land area of approximately 2.34 million square feet in Hung Shui Kiu/Ha Tsuen.

In 2020, the Government announced specific criteria in respect of the implementation framework for its Land Sharing Pilot Scheme. In order to work in line with the Government's policy to satisfy the keen housing demand, the Group, after reviewing its land holding in the New Territories, submitted an application to the relevant authority under this scheme in conjunction with another developer. The project concerned is located in Lam Tsuen, Tai Po, covering a site area of about 2 million square feet or 19.3 hectares, which is slightly larger than Victoria Park in Hong Kong. The project aims to offer 30% of its housing units (3,636 units) for private housing development for sale, while the remaining 70% (8,484 units) will be for the Government's public housing development. In November 2022, the project was supported by an advisory group and agreed in principle by the Executive Council. The project is currently going through the rezoning process. The Group hopes that by participating in this scheme, it can use the relevant land resources more efficiently and expedite the unlocking of their potential value.

In October 2021, the Government promulgated the Northern Metropolis Development Strategy by putting forward the proposal of developing the Northern Metropolis into an international innovation and technology hub. It will include the comprehensive San Tin Technopole, comprising the Hong Kong-Shenzhen Innovation and Technology Park at the Loop and the area around San Tin/Lok Ma Chau. The Government further promulgated the North Metropolis Action Agenda 2023 in October 2023 to include the Technopole as part of the Innovation and Technology Zone. According to the draft San Tin Technopole Outline Zoning Plan, approved by the Chief Executive in Council in September 2024, the Government will resume land from developers for innovation and technology use. In addition, the Government released its development proposal of Ngau Tam Mei, which is adjacent to San Tin, in November 2024. The related public engagement activities were completed in January 2025. In July 2025, the Government announced the resumption of land for the development of San Tin Technopole (Phase 1) (First Batch) and Sam Po Shue Wetland Conservation Park (First Phase). The Group holds an attributable land area of approximately 6.1 million square feet in San Tin of Northern Metropolis, of which a total area of approximately 334,000 square feet will be resumed by the Government. The Government also announced the resumption of land for the construction of the Northern Link Main Line in the same month, this means additional land lots with a total area of approximately 187,000 square feet will be resumed from the Group. Based on the cash compensation of HK$1,032 per square foot published in the Gazette, the Group expects to receive a total cash compensation of approximately HK$540 million from the Government.

Investment Properties

For the six months ended 30 June 2025, the gross rental income in Hong Kong attributable to the Group (including gross rental income attributable to subsidiaries, associates and joint ventures) increased slightly to HK$3,411 million. The corresponding net rental income before taxation attributable to the Group decreased by 1% period-on-period to HK$2,483 million. For the International Finance Centre ("ifc") project, in which the Group has a 40.77% interest, the gross rental income attributable to the Group was HK$803 million, representing a period-on-period decrease of 2%.

As at 30 June 2025, the average leasing rate for the Group's major investment properties was 93%.

With the successive completion of Parkwood, which is to be rented as an off-campus accommodation for university students, and the podium malls of two developments (namely, Phase 1 of Belgravia Place and Gateway • Square Mile), as at 30 June 2025, the Group's completed investment property portfolio in Hong Kong had increased to approximately 10.5 million square feet. Details of the Group's completed investment property portfolio are as follows:

By type		**Gross floor area attributable to the Group (million sq. ft.)**	**Percentage (%)**
Shopping arcade or retail		5.7	54
Office		4.2	40
Industrial		0.2	2
Residential and hotel apartment		0.4	4
	Total:	**10.5**	**100**

By geographical area		**Gross floor area attributable to the Group (million sq. ft.)**	**Percentage (%)**
Hong Kong Island		2.9	28
Kowloon		3.5	33
New Territories		4.1	39
	Total:	**10.5**	**100**

In addition, there were about 9,000 car parking spaces held by the Group, which provide the Group with another source of rental income.

Retail portfolio

During the first half of 2025, the uncertain economic outlook and changing consumption habits continued to pose challenges to the local retail market. However, the overall occupancy rate for the Group’s retail portfolio remained consistently high. Such satisfactory results were mainly due to the Group employing diverse strategies to enhance the appeal of its malls.

The Group has refined the tenant mix of its malls and introduced a number of specialty restaurants, grocery retailers and youth-oriented beauty brands to satisfy the needs of different customers. The Group, by launching various marketing campaigns, such as “MOSTown x LEGO New Year Fortune Garden” and “Disney Princess Summer Blossom Gardens”, not only succeeded in attracting substantial family crowds but also demonstrated its innovative concept of transforming shopping malls into dynamic, experience-driven destinations. In addition, live performances, autograph signing events, star-studded movie promotions, family workshops and busking were held periodically to drive visitors’ traffic and stimulate consumer spending at the malls. The Group also participated in the Well-Being • Start-Up 2.0 Programme initiated by the Hong Kong Housing Authority to promote innovative development of Hong Kong’s retail industry. By offering certain shops and booths in its malls to young entrepreneurs at preferential rates, the Group encouraged the next generation to unleash their creativity and cultivate their entrepreneurial spirit through practical experiences, enabling them to pursue their entrepreneurial aspirations.

MCP in Tseung Kwan O and MOSTown in Ma On Shan were awarded Mall Initiative of the Year – Hong Kong and Regional Mall of the Year – Hong Kong respectively at the Retail Asia Awards 2025.

Two large-scale urban redevelopment projects in Tai Kok Tsui and Hung Hom are being completed in phases. Leasing responses for the podium malls of these two developments have been satisfactory and an array of lifestyle brands and distinctive food and beverage establishments will be added to their list of tenants. Upon completion of these projects, the Group’s rental income is poised to increase further.

Office portfolio

The demand for office space remains weak, and the substantial supply in the future pipeline continues to exert downward pressure on office rents. Despite this, a notable trend among tenants is their increasing preference for quality buildings, which positions the Group's premium office portfolio favourably and enhances its competitiveness in the market.

During the first half of 2025, the Group's office developments continued to deliver resilient performance driven by effective tenant engagement. ifc in Central, AIA Tower in North Point, as well as the Group's portfolio of office and industrial/office premises in Kowloon East, including Manulife Financial Centre, AIA Financial Centre, 78 Hung To Road and 52 Hung To Road, maintained an occupancy rate of around 90% or above due to their superior building quality.

The Henderson, which was newly completed in 2024, is a new landmark in Hong Kong. Designed by the world-leading architectural firm Zaha Hadid Architects ("ZHA"), this 465,000-square-foot super Grade-A commercial development offers an exceptional, smart office experience to its tenants by blending service excellence, art, innovation and sustainability. The office lobby features the *Balloon Swan (Red)* sculpture by the renowned contemporary artist Jeff Koons, whilst Cloud 39, which is the highest all-glass rooftop ballroom in Hong Kong, offers a magnificent 270-degree view of Hong Kong's vibrant cityscape. An outdoor space adjacent to The Henderson has been transformed as the first sculpture park by ZHA in Asia and is open for public enjoyment. In addition, The Henderson has become the first commercial building in the Asia-Pacific region to achieve "In Partnership with Forbes Travel Guide" accreditation for its service pledge to elevate tenants' workplace experience to 5-star hospitality standards. The Henderson is home to many distinguished tenants including Christie's, which has established its new Asia Pacific headquarters in the building, along with Audemars Piguet, Carlyle, CPP Investments and Point72, a multi-strategy asset management firm. The Henderson has currently achieved a committed leasing rate of around 80%, further strengthening the Group's recurring income base.

As regards the 1,600,000-square-foot New Central Harbourfront flagship development project, its Phase 1 development is under construction and leasing demand has been strong. Jane Street Asia Limited, a quantitative trading firm, has signed an agreement for lease and will become the first anchor tenant, occupying over 223,000 square feet across six floors, which accounts for more than 70% of the development's Phase 1 office and ancillary space. This transaction sets a record for the largest single office leasing transaction for the Central Business District in decades, reflecting Hong Kong's solid position as an international financial centre.

Construction

The Group is committed to building excellence and innovation in all its property developments. During the first half of 2025, the Group was awarded the top honour of Developer of the Year – Hong Kong and the project at 8 Castle Road in Mid-Levels was also named Luxury Residential Development of the Year – Hong Kong at the Real Estate Asia Awards 2025. Meanwhile, Baker Circle • Dover in Hung Hom and The Quinn • Square Mile in Mong Kok were both accredited as 5-Star Residencies by Hong Kong Professional Building Inspection Academy. As for non-residential developments, The Henderson in Central was named 5-Star winner in the categories of Best Commercial High Rise Development Hong Kong and Best Mixed Use Interior Hong Kong at the Asia Pacific Property Awards 2025-2026.

In the 2024 Policy Address, the Hong Kong SAR Government proposed several improvement measures, including reviewing the building design standards, and facilitating local application of cost-effective construction materials and technologies from the Mainland and overseas. Hence, overall construction costs are expected to be lowered. Meanwhile, the Group will continue to develop and increase the use of innovative building products to further enhance the quality of various projects.

The following development projects in Hong Kong were completed during the first half of 2025:

	Project name and location	Site area (sq. ft.)	Gross floor area (sq. ft.)	Type of development	Interest of the Group (%)	Gross floor area attributable to the Group (sq. ft.)
1.	Belgravia Place (Phase 1) 1 Berwick Street Cheung Sha Wan	36,167	293,566	Commercial/ Residential	100.00	293,566
2.	The Paddington 456 Sai Yeung Choi Street North Cheung Sha Wan	22,889	171,664	Residential	100.00	171,664
3.	Gateway • Square Mile 1 Ka Shin Street Mong Kok	9,642	88,367	Commercial/ Residential	100.00	88,367
4.	Parkwood 3 Mei Sun Lane Tai Po	7,976	49,077	Commercial/ Residential	100.00	49,077
					Total:	**602,674**

Property Management

The Group's property management companies consist of Hang Yick Properties Management Limited, Well Born Real Estate Management Limited, H-Privilege Limited (which provides superior management services for the Group's prestigious housing projects - The H Collection), Goodwill Management Limited and H Commerce Management Limited. These companies, collectively managing over 85,000 apartments and industrial/commercial units, 10 million square feet of shopping and office space, as well as 20,000 car parking spaces in Hong Kong, maintain leading positions within the industry.

The property management companies follow the Group's commitment to continuously enhancing its service quality and maintaining an eco-conscious approach. They have implemented an Integrated Management System, which complies with the requirements of ISO 9001 (Quality Management System), ISO 10002 (Complaints Handling Management System), ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System). These property management companies have received numerous accolades, including Hong Kong Top Service Brand and Q-Mark Service Certification for their outstanding performance.

The property management companies are committed to upholding their integrity and professionalism, thereby creating a better living environment for people in Hong Kong. During the period, the companies launched the Year of Vitality to raise public awareness of physical and mental health. In addition, they collaborated with a charitable institution to organise a number of sports, music and environmental protection activities, injecting more vitality into the community.

Mainland China

During the first half of 2025, Chinese local governments have implemented various measures to promote home buying and relax financing restrictions so as to stabilise the property market. These policies effectively stimulated demand and lowered the cost of home ownership for buyers, which helped boost market confidence. In addition, the Central People's Government implemented new housing regulations, injecting new momentum into the property sector. During the period, the overall real estate market remained stable. First-tier cities, in particular, recorded resilient performance, whilst the destocking pressure in second-tier cities has gradually eased after undergoing significant consolidation. As for the land market, supply was concentrated on prime sites in the core cities, leading to a significant increase in land sale revenue.

The following development projects were completed during the first half of 2025:

	Project name	**Usage**	**Interest of the Group (%)**	**Gross floor area attributable to the Group (million sq. ft.)**
1.	The Pier, Shanghai	Office and Commercial	51	0.42
2.	Xindu Project, Chengdu (Phase 2)	Residential	50	0.28
3.	Yubei Project, Chongqing (Phase 2)	Residential	50	0.08
4.	Dongli Project, Tianjin (Phase 2)	Residential and Commercial	50	0.26
			Total:	**1.04**

The Group’s mainland China strategy is as follows:

Property Investment: During the period, the Group strategically directed its resources toward the leasing of two large-scale projects completed in recent years, namely, Lumina Guangzhou in Yuexiu District, Guangzhou and Lumina Shanghai in the Xuhui Riverside Area, Shanghai. This effort yielded remarkable results and the leasing rates for the 970,000-square-foot Grade-A office twin towers at Lumina Guangzhou and the 1,000,000-square-foot Lumina Shanghai II were both over 80% as at 30 June 2025. The Group was also actively developing two joint venture commercial composite developments. The 830,000-square-foot The Pier in Pudong, Shanghai, was newly completed, whilst the 420,000-square-foot Yunhui Tower in Nanshan, Shenzhen, is approaching completion. With the successive completion of new projects, the Group’s rental income is expected to grow, establishing a growth trajectory for its recurring income in future.

Property Development: The Group continues to focus on new development opportunities in first-tier and leading second-tier cities, as well as the Greater Bay Area strategic plan.

As at 30 June 2025, in addition to its holding of approximately 2.3 million square feet in attributable gross floor area of completed property stock, the Group held a development land bank in 14 cities with a total attributable gross floor area of about 9.54 million square feet, with approximately 65% designated for the development of residential properties:

Land bank under development or held for future development

		Estimated developable gross floor area attributable to the Group* (million sq. ft.)
First-tier cities		
Beijing		0.05
Guangzhou		0.92
Shenzhen		0.21
	Sub-total:	**1.18**
Second-tier cities		
Changsha		0.05
Chengdu		3.50
Chongqing		0.57
Dongguan		0.15
Foshan		0.24
Shijiazhuang		2.38
Suzhou		0.03
Tianjin		0.38
Wuhan		0.45
Xian		0.55
Xuzhou		0.06
	Sub-total:	**8.36**
	Total:	**9.54**

Usage of development land bank

		Estimated developable gross floor area attributable to the Group* (million sq. ft.)	Percentage (%)
Residential		6.19	65
Office		1.68	18
Commercial		1.37	14
Others (including clubhouses, schools and community facilities)		0.30	3
	Total:	**9.54**	**100**

* *Excluding the developable gross floor area attributable to basement areas and car parks.*

Property Sales

During the first half of 2025, the volume of pre-sold residential units completed and delivered to buyers experienced a decline compared to the same period last year. Revenue attributable to the Group's property development in mainland China as recognised in the financial statements for the period under review amounted to approximately RMB2,177 million (equivalent to approximately HK$2,361 million), representing a period-on-period decrease of 16% in Renminbi terms. The loss before taxation amounted to RMB100 million (2024: RMB25 million), which was equivalent to approximately HK$108 million.

During the first half of 2025, contracted sales attributable to the Group decreased by 38% period-on-period to approximately RMB1,135 million (equivalent to approximately HK$1,235 million) or 21% to approximately 0.9 million square feet in attributable gross floor area. Major sales projects included Changan project in Shijiazhuang, La Botanica in Xian, as well as Xindu project and CIFI Centre in Chengdu.

As at 30 June 2025, attributable contracted sales of approximately HK$2,275 million remain unrecognised in the accounts. It is anticipated that approximately HK$621 million of this amount will be recognised in the second half of 2025 upon the completion of the relevant developments and handover of the completed units to buyers.

Investment Properties

With the completion of The Pier in Shanghai, as at 30 June 2025, the completed investment property portfolio attributable to the Group in mainland China has increased to approximately 13.4 million square feet, the details of which are as follows:

By type	Gross floor area attributable to the Group* (million sq. ft.)	Percentage (%)
Office	9.5	71
Commercial	3.9	29
Total:	**13.4**	**100**

By geographical area	Gross floor area attributable to the Group* (million sq. ft.)	Percentage (%)
Beijing	2.2	16
Shanghai	7.2	54
Guangzhou	2.6	19
Other	1.4	11
Total:	**13.4**	**100**

* *Including lettable areas in the basement.*

Corporate tenants, who were affected by the uncertain economic environment, continued to adopt a prudent approach to their leases with the aim of controlling costs and enhancing efficiency. Increased supply and intense competition also dampened the mainland leasing market. During the period, the Group's gross rental income decreased by 10% period-on-period in Renminbi terms. After taking into account the approximately 2% period-on-period depreciation of the Renminbi against the Hong Kong Dollar, gross rental income attributable to the Group decreased by 12% period-on-period to HK$922 million. Net rental income before taxation attributable to the Group also decreased by 13% period-on-period to HK$661 million during the first half of 2025.

In Beijing, foreign companies expressed concerns about the economic outlook, while some large-scale mainland enterprises also downsized in order to contain costs. The leasing rate of World Financial Centre in Chaoyang Central Business District fell to 60% at the end of June 2025. The Group will maintain flexibility to adapt to changing market conditions. Due to its reputable building quality, it is expected that this international Grade-A office complex will attract leasing interests from corporations that prioritise quality.

In Shanghai, as at 30 June 2025, Henderson Metropolitan near the Bund achieved a leasing rate of 97% for its office and 93% for its shopping mall. The leasing rates for Henderson 688 in Nanjing Road West business hub and the joint-venture project in the Middle Huaihai Road business hub were both 91%. The leasing rate for the office developments at Grand Gateway II atop the Xujiahui subway station was over 70%. The leasing rates of Greentech Tower and Centro adjacent to the Shanghai Railway Station were 80% and 70%, respectively. Market response for the recently-completed Lumina Shanghai in the Xuhui Riverside Area was satisfactory. Xuhui Riverside is one of the key riverside development projects under the Shanghai 14th Five-year Plan, and currently is a hub for culture, media and digital technology development in the city. The 61-storey iconic office tower of Phase 1 development at Lumina Shanghai, which boasts direct connection to Longyao Subway Station, provides approximately 1,800,000 square feet of Grade-A office space. During the period, ARM (a leading semiconductor company) and BENOY (a renowned design firm specialising in Architecture) were secured as tenants, which boosted the leasing rate of this development to more than 60%. There are many food and beverage outlets at its 200,000-square-foot shopping mall, offering diverse dining options to customers. The neighbouring 1,000,000-square-foot Phase 2 development, namely, Lumina Shanghai II, is home to many renowned automotive corporations. The leasing rate of this development exceeded 80% by the end of June 2025. The joint venture commercial composite development in Pudong, namely, The Pier, was completed during the period. Located in Xinminyang area, which is positioned as a world-class waterfront mixed-functional belt with its close proximity to Lujiazui business hub, The Pier consists of two 11-storey office buildings, one 12-storey office building and five commercial buildings, providing a total gross floor area of about 830,000 square feet. Leasing activities have commenced and active negotiations are underway with a number of financial institutions and multinational corporations.

In Guangzhou, Lumina Guangzhou, an integrated development atop the Haizhu Square interchange station of two subway lines, is strategically located in this core city of the Guangdong-Hong Kong-Macao Greater Bay Area. Commanding panoramic views of the Pearl River, its 970,000-square-foot Grade-A office twin towers attract many multinational corporations and international organisations as tenants and the leasing rate was over 80% at the end of June 2025. At its 900,000-square-foot shopping podium and underground commercial area, a wide variety of specialty eateries and movie theatres have opened. Hengbao Plaza, atop the Changshou Road subway station, continued to optimise its tenant mix to enhance its attractiveness and the leasing rate was over 70% at the end of June 2025.

Property Management

During the first half of 2025, Shanghai Starplus Property Management Co., Ltd. (“Starplus”) took over the management of the newly completed The Pier in Shanghai. Together with eight existing properties under its management (including Lumina Shanghai I and II, Henderson 688, Henderson Metropolitan, Greentech Tower and Centro in Shanghai, World Financial Centre in Beijing, as well as Lumina Guangzhou in Guangzhou), Starplus manages a total floor area of about 14,000,000 square feet, including 5,600 car parking spaces in mainland China.

In order to ensure that the best service is provided to all the properties under its management, Starplus has adopted management practices and professional accreditation standards which comply with the requirements of ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), ISO 10002 (Complaints Handling Management System) and ISO 50001 (Energy Management System). Its commitment to professionalism has also been extended to cover all properties under its management.

During the first half of 2025, Starplus was honoured with the Health and Safety Leadership Award by the International WELL Building Institute and was recognised by CRIC Property Management as one of the Top 10 Office Property Service Providers in China 2025 and Leading China Real Estate Enterprises in ESG and Sustainability Development 2025. The eight properties under its management also received the Gold Seal for Contribution to Sustainable Property — Promote Environmental Protection (Mainland) and Gold Seal for Contribution to Carbon Disclosure (Mainland) from the Hong Kong Quality Assurance Agency. Among them, Lumina Shanghai and Henderson 688 were further awarded WELL Core v2 Platinum Certification. In addition, Lumina Shanghai was recognised as 2025 Office Project Showcase for Service Excellence and received the BESTi Smart Building Certification, which was jointly launched by TÜV Rheinland, Germany and the Building Research Establishment of the United Kingdom, in recognition of its outstanding achievement across the overall performance and individual assessments. All these achievements demonstrated that the Group’s unwavering commitment to sustainable development and professional management for its mainland properties are well recognised both locally and internationally.

Henderson Investment Limited ("HIL")

HIL's (unaudited) loss attributable to equity shareholders for the six months ended 30 June 2025 amounted to HK$41 million, as compared with the loss of HK$69 million recorded in the corresponding period of last year.

HIL's business activities are principally carried out by two wholly-owned subsidiaries: (i) Citistore (Hong Kong) Limited, which operates five department stores under the name of "Citistore" and one household specialty store under the name of "Citilife" (hereinafter collectively referred to as "Citistore"); and (ii) Unicorn Stores (HK) Limited, which operates two department stores-cum-supermarkets under the name of "APITA" or "UNY" and two supermarkets under the name of "UNY" (hereinafter collectively referred to as "Unicorn").

Over the years, continuous efforts have been made to integrate the businesses of Citistore and Unicorn so as to enhance their operational synergies and efficiency. In late 2024, their common membership loyalty programme CU APP was further integrated with H • COINS, the membership loyalty programme of the Company, thereby providing greater shopping convenience to their 860,000 members.

(I) Citistore

Citistore recorded a period-on-period decrease of 13% in the aggregate sales proceeds from the sales of own goods, consignment sales and concessionaire sales for the six months ended 30 June 2025. During the first half of 2025, Citistore's sales of own goods decreased by 12% period-on-period to HK$128 million with a gross margin of 32%.

Citistore's consignment sales comprise the sales of consignors' products on consignment basis on designated shelves or in designated areas, while concessionaire sales are conducted by concessionaires operating from their own shop spaces within Citistore's stores under licence agreements. From all consignment and concessionaire sales Citistore receives a revenue-based commission or base commission (if any), whichever is higher, as its commission income. During the first half of 2025, due to the decrease in the aggregate sales proceeds from consignment and concessionaire sales, the total commission income from such sales decreased by 11% period-on-period to HK$138 million.

After deducting its operating expenses, Citistore recorded a loss after taxation of HK$7 million for the six months ended 30 June 2025 (2024: HK$11 million).

(II) Unicorn

Unicorn's sales of own goods and consignment sales for the six months ended 30 June 2025 decreased by merely 1% period-on-period to HK$582 million.

After deducting its operating expenses, Unicorn recorded a loss after taxation of HK$30 million for the six months ended 30 June 2025 (2024: HK$53 million).

Looking ahead, HIL will continue to implement strict cost controls, conduct rigorous reviews of all expenditure and streamline operations to cope with the challenging business environment. In addition, HIL will strive to expand the membership base of its loyalty programme and leverage technology to understand customers' needs, with the hope of improving operations.

Miramar Hotel and Investment Company, Limited ("Miramar")

Miramar's revenue for the six months ended 30 June 2025 amounted to HK$1,295.0 million, representing a decrease of 7.6% against the corresponding period last year. Profit attributable to shareholders decreased by 13.7% to HK$322.1 million. Excluding the net decrease in fair value of investment properties (after deducting non-controlling interests and related tax effects), the underlying profit attributable to shareholders decreased by 14.1% to HK$341.8 million.

Hotels and Serviced Apartments Business
During the review period, the overall revenue from Miramar's hotel and serviced apartment business amounted to HK$280.0 million, representing a decrease of 5.7% compared with the same period last year. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to HK$53.5 million, representing a decrease of 29.0% compared with the same period last year. Despite a large-scale smart Internet of Things (IoT) facility upgrade project launched in June, which impacted approximately 10% of rooms available for rental purpose each month (with completion expected by June next year), The Mira Hong Kong achieved an average occupancy rate of 90.3% during the period, a marginal decline of 1.3% against the corresponding period last year; while Mira Moon recorded an average occupancy rate of 92.9%, down by 1.7% as compared with the corresponding period last year.

Both The Mira Hong Kong and Mira Moon have been awarded the certification of Level 5 Rating from a CrescentRating, an internationally recognised benchmark for Muslim travel. Notably, The Mira Hong Kong was named "Muslim-Friendly Hotel of the Year" at the Halal in Travel Awards 2025 and received the "International Golden Diamond Award" for China Best & Famous Hotel at the 25th China Cultural Tourism Golden Horse Awards. Additionally, Cuisine Cuisine The Mira also received the "Annual Golden Diamond Award", recognised as China's Famous Restaurant.

Property Rental Business
The revenue from the property rental business amounted to HK$385.5 million during the period, while EBITDA amounted to HK$322.8 million, reflecting declines of 3.9% and 5.2%, respectively. The fair value of its total investment properties decreased by HK$14.7 million during the period. The book value of the overall investment properties as at 30 June 2025 was HK$15 billion.

Miramar continued to optimise its asset management strategy, significantly adjusting its tenant mix to increase the proportion of semi-retail tenants in office buildings to nearly 60%. During the period, the average occupancy rate of Miramar's office building and shopping mall remained stable at above 90%. Flagship tenants expanded their operating areas. Despite some rental and management fee losses in the first half of the year due to tenant turnover and renovation during the transition periods, Miramar expects to gradually recover the rental income in the second half of the year through precise leasing strategies.

Food and Beverage Business
During the period, the overall revenue from the food and beverage business was HK$139.4 million, a decrease of approximately 2.4% compared with the same period last year. The EBITDA loss was HK$2.8 million, including a one-off impairment loss, reinstatement and other costs of HK$6.6 million related to the closure of two restaurants. Excluding the one-off impairment loss and other expenses related to the closure of the restaurants, EBITDA loss turned to a profit of HK$3.8 million. Miramar's refined Chinese restaurant, Chinesology, became the first fine-dining Chinese restaurant in Hong Kong to receive the "Muslim-friendly" certification. It has also been awarded "One Diamond" from the Black Pearl Restaurant Guide 2025.

Travel Business
In the first half of 2025, the sluggish economy in Hong Kong, coupled with factors of exchange rate fluctuations and geopolitical concerns, further dampened travel sentiment, particularly for long-haul and high-end travel products. During the period, travel business recorded revenue of HK$490.5 million, representing a decrease of 12.4% compared with the same period last year; EBITDA was HK$15.4 million, representing a decrease of 61.6% compared with the same period last year.

Associated Companies

The Hong Kong and China Gas Company Limited ("HKCG")

In the first half of 2025, HKCG recorded revenues of HK$27,514 million, with after-tax operating profit growing 3% to HK$3,996 million. Taking into account non-operating gains and losses, profit attributable to shareholders decreased by 3% to HK$2,964 million. Excluding foreign exchange gains and losses on borrowings, core operating profit increased by 4%. Towngas Smart Energy Company Limited ("Towngas Smart Energy"), a subsidiary of HKCG, recorded growth in its core operating profit to HK$719 million, up 2%.

UTILITY BUSINESSES

Hong Kong Utility
Lower temperatures at the beginning of the year compared to the same period last year led to an increase of 209 million MJ in residential gas sales. As at 30 June this year, the local gas sales volume reached 14,935 million TJ. This figure remains essentially stable year-on-year. The number of customers was approximately 2.04 million, an increase of over 5,000 compared to the end of 2024.

HKCG has been actively promoting the application of its gas dehumidification systems. This service helps commercial buildings to significantly reduce the proportion of cooling energy needed while also furthering low-carbon operations. HKCG's combined heat and power ("CHP") systems, which utilise gas generators to simultaneously produce heat and electricity, have achieved significant results in healthcare applications. Following the Alice Ho Miu Ling Nethersole Hospital in Tai Po becoming the first medical institution in Hong Kong to use this system, the North District Hospital expansion project will also use a "tri-generation" system for cooling, heating, and power. By generating electricity through biogas combustion, the heat and steam produced in the process can be used by the hospital for medical sterilisation, laundry and patient bathing services. This system is expected to save the user as much as HK$5 million in energy costs annually while reducing carbon emissions by 3,900 tonnes.

Mainland Utilities
In the city-gas sector, national natural gas consumption fell by 0.9% in the first half of the year. HKCG, however, maintained stable gas sales volumes. The number of city-gas customers increased by 980,000 in the first half of the year. At the same time, HKCG actively pursued cost pass-throughs, with a marked increase in the city-gas dollar margin by 8% to RMB0.54 per cubic metre.

In the first half of the year, HKCG secured 75 new large-scale industrial and commercial customers, adding annual gas consumption of 240 million cubic metres to its business. In areas such as Jiangsu Province and Zhejiang Province, HKCG promoted direct-fired heat exchange retrofits for dyeing vats in the textile industry, achieving energy savings of over 20%. In electricity-to-gas conversion, HKCG has forged strong partnerships with equipment manufacturers to implement technical upgrades across various applications, including industrial hot-air drying and commercial dishwashers. By fully capitalising on the combined advantages of gas in terms of efficiency, cost-effectiveness and environmental benefits, HKCG has successfully expanded its market.

In the "Gas+" business, HKCG focused on expanding business sectors that involve energy efficiency upgrades for industrial and commercial customers, energy trusteeship for public institutions, as well as integrated energy solutions for industrial parks. Capitalising on the safety and technical expertise of its city-gas enterprises, HKCG has developed its industrial and commercial gas maintenance services business.

The mainland utility businesses delivered a solid overall performance. Profits from the city-gas business remained broadly flat year-on-year. While the midstream business experienced some profit decline due to macroeconomic volatility, HKCG actively mitigated this impact through refined operational management and cost controls. The water and environmental businesses benefitted from increased water sales volumes and cost optimisation, resulting in improved profitability.

Gas Resources Business

HKCG's gas resources segment played a significant role in ensuring supply security while reducing costs for over 300 of HKCG's city-gas businesses. Through a "centralised negotiations and individual contracts" approach, HKCG negotiates directly with upstream suppliers on gas supply and pricing to maximise the interests of its city-gas enterprises.

HKCG has secured long-term international liquefied natural gas ("LNG") import agreements totalling 1.5 million tonnes annually. Set to commence in 2027, the first batch will amount to approximately 500,000 tonnes. This will effectively reduce procurement costs for downstream joint ventures. Concurrently, the segment is accelerating the development of proprietary gas resources.

HKCG's Jintan gas storage facility in Changzhou, Jiangsu Province, entered a new phase of multi-reservoir synchronised operations in the first half of the year. As a market-oriented emergency peak-shaving facility, the Jintan storage facility offers high flexibility. The gas resources segment actively collaborates with upstream companies to fully leverage the facility's flexible dispatch capabilities, enhancing overall emergency supply assurance and market peak-shaving efficiency.

GROWTH BUSINESSES

Renewable Energy Business

As at 30 June 2025, HKCG and its subsidiary Towngas Smart Energy had developed 128 zero-carbon smart industrial parks across 24 provincial regions. The installed capacity of commercial and industrial distributed photovoltaics (PV) reached 2.6 GW, showing steady growth from the end of 2024 with new grid connections of 0.3 GW. The contracted capacity for commercial and industrial energy storage reached 775 MWh, with a cumulative grid-connected capacity of 260 MWh. In the first half of 2025, HKCG's photovoltaic electricity sales reached 1.18 billion kWh, up 44% year-on-year, with a power transaction settlement scale of 3.64 billion kWh, up 14%.

In terms of business model innovation, HKCG has been vigorously developing its "Energy as a Service" ("EaaS") offering and building an integrated "photovoltaic + energy storage + electricity sales" carbon-reducing business model to address the challenges posed by market-driven fluctuations in renewable energy electricity pricing.

In parallel with these initiatives, HKCG continued to deepen its Assets under Management ("AuM") strategy, actively introducing strategic investors to diversify investment risks and reduce pressures in expenditure. To this end, HKCG successfully issued the "Zero Carbon Smart Phase 2" asset-backed securities programme ("quasi-REIT") product in the first half of the year, raising approximately RMB470 million to enhance cash flow. HKCG is also planning to issue quasi-REITs in the second half of the year.

In terms of technological innovation, HKCG increased the investment in its energy technology platform, comprehensively upgrading its smart energy ecosystems and optimising trading algorithms with cutting-edge technology. HKCG is also leveraging artificial intelligence ("AI") to develop refined asset management and scientific trading strategies to improve project investment returns.

Sustainable Aviation Fuel

During the period, EcoCeres, Inc., incubated by HKCG and in which HKCG holds a strategic stake, reached a multi-year sustainable aviation fuel ("SAF") supply agreement with British Airways. This collaboration will help the counterparty reduce approximately 400,000 tonnes of carbon emissions. A new EcoCeres plant located in Malaysia will be commissioned within the year, with a total annual production capacity exceeding 400,000 tonnes.

Green Methanol

After two years of market cultivation, HKCG's green methanol products have been successfully certified and have won widespread market recognition, marking the beginning of a "boom period" as the business achieves substantial growth. Significant orders have been secured, some of which have already begun shipping in the first half of this year. The sales volume for the entire year is anticipated to reach 20,000 tonnes.

In the first half of the year, HKCG established a new investment platform, VENEX, with Foran Energy Group Company Limited, with each party holding a 50% stake. HKCG will inject its green methanol plant in Ordos, Inner Mongolia (Inner Mongolia ECO Coal Chemical Technology Company Limited) into VENEX to expand production capacities. The new plant in Foshan in the Greater Bay Area is expected to go into production in 2027 with a Phase 1 production capacity of 200,000 tonnes.

Meanwhile, HKCG has been collaborating with Singapore's Global Energy Trading Pte Ltd, the Singapore-based marine fuel supplier Golden Island Pte Ltd, Pacific Basin Shipping Limited, Royal Vopak of the Netherlands, the HKSAR Government and others, to develop supply chains and distribution networks.

Hydrogen Energy

The hydrogen energy business developed by HKCG in Hong Kong includes hydrogen power generation, as well as integrated new energy power generation solutions for construction sites and other scenarios. Currently, the first public electric vehicle automatic hydrogen energy charging system in Hong Kong, a collaboration between HKCG and the Hong Kong Science and Technology Parks Corporation, has been launched. Additionally, HKCG will also be responsible for providing hydrogen power generation for the golf venue of the 15th National Games to be held in Hong Kong. HKCG's first green hydrogen project in Hong Kong, located at the landfill extension in Tseung Kwan O, is expected to be completed and operational in 2026. It will produce 330 kg of green hydrogen daily by converting biogas collected from the landfill.

Extended Businesses

HKCG's subsidiary, Towngas Lifestyle, following the integration of its mainland and Hong Kong operations in 2024, completed its first round of strategic financing of US$45 million in the first half of this year. The raised funds will enable Towngas Lifestyle to grow in scale nationwide, enhance its product and service capabilities, while also upgrading its digital platform capabilities in both its AI and IoT platforms. HKCG's extended businesses are also committed to providing quality services to 45 million household gas users.

The smart kitchen business capitalised on opportunities arising from the "trade-in" market, with sales growing 25% year-on-year in the first half of the year. In the insurance business, household comprehensive insurance increased to account for 50% of total insurance sales. In Hong Kong, HKCG also curated top-quality "white goods" to offer consumers a one-stop solution for a premium "home living" experience.

Looking ahead, overall gas sales in Hong Kong are expected to remain broadly flat year-on-year. On the mainland, HKCG's city-gas pipeline network has matured, allowing for reduced capital investment. Overall, HKCG will continue to pursue an asset-light development model. Going forward, HKCG's strategies and goals are to maintain steady growth in the utility businesses while positioning its growth businesses as new drivers for its future expansion.

Hong Kong Ferry (Holdings) Company Limited ("Hong Kong Ferry")

Hong Kong Ferry's underlying profit for the six months ended 30 June 2025 was HK$69 million, representing a decrease of approximately 19% from the same period last year. Taking into account the fair value change of the investment properties, Hong Kong Ferry's profit attributable to shareholders for the six months ended 30 June 2025 was HK$122 million, representing an increase of approximately 36% from the same period last year.

Property Development and Investment Operations

The gross rental income arising from the shops and commercial arcades during the period under review amounted to HK$60 million, a decrease of 5% as compared with the same period last year. At the end of the reporting period, the commercial arcades of Metro6 were fully let. The occupancy rates of the commercial arcades of Shining Heights and The Spectacle were 95% and 91% respectively, and the occupancy rates of the commercial arcades of Green Code Plaza and Metro Harbour Plaza were 87% and 80% respectively. As regards "The Royale", Hong Kong Ferry has already delivered to buyers the 1,748 residential units sold. Some of the residential units are arranged for lease to increase its recurrent revenue. Hong Kong Ferry has been approved by the Urban Renewal Authority to convert the residential portion of "The Symphonie" for use as a youth hostel. This two-tower youth hostel will be operated by Tung Wah Group of Hospitals and named as "TN Residence". Hong Kong Ferry began receiving rental income at the agreed market level starting from the end of June this year. On 19 August 2025, Hong Kong Ferry (through a wholly-owned subsidiary) entered into a provisional agreement with an independent third party vendor to acquire the property comprising various shops at Portion A of Ground Floor (with a gross floor area of approximately 12,720 square feet) and Signage Areas of ''Tai Hung Fai (Tsuen Wan) Centre'' at No. 55 Chung On Street, Tsuen Wan, New Territories, Hong Kong, which is a commercial development, at the consideration of HK$260 million. The property is sold subject to various existing tenancies and licenses. The monthly rental and license fee income in August 2025 is approximately HK$1.22 million, representing an annualised gross rental yield of approximately 5.6% based on the purchase price. Hong Kong Ferry currently intends to hold the property for investment purpose.

Ferry, Shipyard and Related Operations

During the period, the Ferry, Shipyard and Related Operations recorded a deficit of HK$12.5 million, an increase of HK$9.5 million as compared to the deficit in the same period last year. The main reason for the increase in deficit is the decline in revenue from Harbour Cruise - Bauhinia business caused by the replacement of a damaged engine in one vessel during the first half of the year. Hong Kong Ferry has successfully obtained approval from the Transport Department for a fare increase on the "North Point – Kwun Tong" dangerous goods vehicular ferry service. The new fares took effect on 12 April 2025, and the deficit is expected to be reduced in the second half of the year.

Medical, Healthcare and Beauty Services

Hong Kong Ferry is currently providing specialised services in cardiology, surgery, orthopedics, plastic surgery and urology at H Zentre in Tsim Sha Tsui. The performance has been steadily on the rise and net profits have continued to be recorded during the period under review. Hong Kong Ferry's spine and pain centres established under the brand "Total HealthCare" at Mira Place, Tsim Sha Tsui and Metro Harbour Plaza, Tai Kok Tsui respectively are gradually getting on track. Hong Kong Ferry has also partnered with a professional fitness centre with over 20 years of experience in Hong Kong to establish a physiotherapy center at H Zentre. The center will provide customised training and rehabilitation programs tailored to individual patients, and is expected to commence operations in the third quarter this year. The number of customers of the "AMOUR" medical aesthetic centre located at Mira Place, Tsim Sha Tsui, with a floor area of about 12,000 square feet, has increased continuously since its opening. The turnover for the six months ended 30 June 2025 was HK$22 million, an increase of 26% compared with the same period last year. As at 30 June 2025, HK$15 million was recorded as payments received for prepaid packages, which in accordance with standard accounting practices had not been included in the income statement of the period under review. The "AMOUR" medical aesthetic centre has expanded its leased space at Mira Place to leverage existing infrastructure and create operational synergies. During the period, although Hong Kong Ferry's healthcare and beauty businesses did not record a net profit, it achieved overall positive EBITDA.

Sunlight Real Estate Investment Trust ("Sunlight REIT")

For the six months ended 30 June 2025 ("Reporting Period"), Sunlight REIT recorded a 4.8% year-on-year decline in revenue to HK$391.2 million, mainly attributable to lower income contributions from Dah Sing Financial Centre, Metro City Phase I Property and West 9 Zone Kids. Property operating expenses eased 2.7% to HK$83.8 million, bringing net property income to HK$307.4 million, down 5.4%. The cost-to-income ratio for the Reporting Period was 21.4%.

Taking into account a decrease in fair value of investment properties of HK$314.3 million, Sunlight REIT reported a loss after taxation of HK$172.2 million, compared to a profit after taxation of HK$79.5 million for the same period last year.

Distributable income for the Reporting Period was relatively sturdy with a mild drop of 1.8% to HK$168.6 million, reflecting the positive impact from an approximately 14% savings in cash interest expense to HK$91.5 million.

The overall occupancy rate of Sunlight REIT's portfolio at 30 June 2025 was 89.2% as compared to 91.3% at 31 December 2024, of which the office occupancy rate dropped to 90.0% (31 December 2024: 92.0%), while the retail occupancy rate came in at 87.6% (31 December 2024: 90.1%).

Reflecting the challenging operating environment, the office and retail portfolios registered negative rental reversions of 8.5% and 7.1% respectively, giving rise to an overall negative rental reversion of 7.7%. At 30 June 2025, the passing rent of the office portfolio declined mildly by 1.2% from six months ago to HK$31.7 per square feet, while that of the retail portfolio was stable at HK$65.5 per square feet. For the Reporting Period, the retention rates of the office and retail portfolios were 66% and 70% respectively.

Hong Kong's commercial property market has yet to benefit from a more stable economic setting as the ongoing headwinds remain stiff, and the pressure of negative rental reversion is likely to remain. However, the manager of Sunlight REIT is delighted to report that the refinancing of borrowings maturing in the next 12 months is progressing smoothly with favourable indicative pricing, underscoring the financial strength of Sunlight REIT. In sum, while it is envisaged that operational hurdles are bound to persist, the possibility of lower funding costs may help alleviate pressure on distributable income.

CORPORATE FINANCE

The Group has always adhered to prudent financial management principles. As at 30 June 2025, net debt amounted to HK$67,415 million (31 December 2024: HK$67,989 million) and the financial gearing ratio was 21.1% (31 December 2024: 21.1%). In addition, shareholder's loans to the Group, which have always been the Group's stable source of funding, amounted to HK$73,923 million as at 30 June 2025 (31 December 2024: HK$66,215 million).

The Group has received wide recognition for its commitment to environmental protection in its property development projects. Numerous world-class sustainability awards, certifications and professional accreditations have been bestowed by various international and local professional rating agencies. Since 2020, green credit and sustainability loan facilities exceeding HK$50,000 million have been secured with favourable terms. Among them was a Social Loan, which was the first of its kind ever obtained by a property developer in Hong Kong. Under the terms of the loan, the Group is required to fulfill its social responsibility and realise its broader 2030 Sustainability Vision. The above demonstrates that the Group's prime credit standing and environmental contributions are well received by the international financial community.

In July 2025, the Group issued guaranteed convertible bonds due 2030 at the rate of 0.5% per annum in an aggregate principal amount of HK$8,000 million. The convertible bonds, with favourable terms, showcased strong investor confidence in the Group's business.

Sustainability

The Group remains steadfast in its commitment to a sustainable built environment, underpinned by its G.I.V.E sustainability strategy. During the period under review, the Group has once again been recognised at the Real Estate Asia Awards 2025 as the Developer of the Year – Hong Kong for the third consecutive year. The Group also secured the Global and Hong Kong Most Innovative Knowledge Enterprise ("MIKE") Awards for the fifth consecutive year, honouring its achievements in innovation. Local accolades including Top 10 Developers 2025, Excellence in ESG Awards – Listed Companies (Real Estate), Elite of Sustainability Performance Award and Junzi Corporation Award were also awarded in recognition of the Group's outstanding achievements in sustainability.

During the first half of 2025, the Group advanced its commitment to youth empowerment in line with its G.I.V.E. strategy. The Group connected with students on multiple fronts, sharing its vision for a greener future through direct engagement with The Chinese University of Hong Kong, Hong Kong Baptist University, The Hong Kong Polytechnic University, and Hong Kong Chu Hai College. To further promote practical, sustainability-focused skills, the Group sponsored an ESG challenge that brought together talent from ten local universities fostering multi-disciplinary collaboration, and also provided participants with the unique experience of a guided tour of The Henderson.

PROSPECTS

China and the United States have recently worked closely to resolve their trade disputes. In response, market sentiment has shown signs of improvement. The Hong Kong SAR Government, in addition to launching various talent schemes, has also been committed to promoting Hong Kong's development as an international hub for post-secondary education, which attracts both domestic and overseas students to pursue further studies. The influx of incoming talent and their families, along with international students, will boost housing demand and provide considerable support to the local property market.

The Group, in conjunction with its partner, recently completed an in-situ land exchange for a land lot in Hung Shui Kiu/Ha Tsuen New Development Area, which will provide an attributable gross floor area of about 580,000 square feet for future development. In addition, the Group holds land reserves in the New Territories amounting to about 41.9 million square feet in land area, which continues to be the largest holding among all property developers in Hong Kong. There is also an array of urban redevelopment projects which the Group has acquired 100% ownership interest or met the relevant compulsory sale application threshold. It is expected that the relevant total gross floor area attributable to the Group from such urban redevelopment projects will be approximately 1.7 million square feet. Over the years, the Group has been replenishing its land bank in Hong Kong through a variety of channels. The Group currently has sufficient land resources to support its property development in the years to come.

As regards "**property sales**", following the launch of Victoria Voyage (Phase 1) in Kai Tak, the Group plans to launch nine other development projects in Hong Kong for sale in the second half of 2025. Together with the unsold stock, a total of about 2,660,000 square feet of residential gross floor area or about 5,600 residential units attributable to the Group are expected to be available for sale in Hong Kong in the second half of 2025. Apart from residential units, about 180,000 square feet of office/industrial space in Hong Kong is also available for sale. At the end of June 2025, attributable sales of Hong Kong and mainland properties, which were not recognised in the accounts, amounted to approximately HK$12,699 million, of which approximately HK$8,377 million is expected to be recognised in the accounts in the second half of 2025 upon completion of the relevant developments and handover of the completed units to buyers.

As regards "**investment properties**", the Group's portfolio of completed investment properties currently comprises an attributable gross floor area of 10.5 million square feet in Hong Kong and 13.4 million square feet in mainland China. The Henderson, the Group's newly-completed super Grade-A office development in Central, is currently approximately 80% leased. Another landmark development in Hong Kong's Central Business District, namely the 1,600,000-square-foot New Central Harbourfront flagship development project, is under construction and progressing well. A financial institution has signed an agreement to lease over 223,000 square feet of the development's Phase 1 office and ancillary space. The Group's investment property portfolio is poised to further expand and optimise.

The "**listed subsidiaries and associates**" provide the Group with another source of recurring income. HKCG, in particular, had over 45 million city-gas customers in mainland China and Hong Kong at the end of June 2025. EcoCeres, Inc., in which HKCG holds shares, will substantially increase the production capacity of sustainable aviation fuel upon the scheduled commissioning of its new plant in Malaysia within the year. Together with the ongoing development of its other growth businesses, HKCG will deliver sustainable returns to the Group.

The above three core businesses (namely, “**property sales**”, “**investment properties**” and “**listed subsidiaries and associates**”) are under astute management of the Group’s experienced professional team. Together with its ample financial resources, the Group is strategically positioned to capitalise on emerging opportunities and will continue to enhance value for all stakeholders.

Dr Lee Ka Kit	**Dr Lee Ka Shing**
Chairman	*Chairman*

Hong Kong, 20 August 2025

BUSINESS RESULTS

Consolidated Statement of Profit or Loss
for the six months ended 30 June 2025 – unaudited

	Note	For the six months ended 30 June 2025 HK$ million	2024 HK$ million
Revenue	4, 11(a)	**9,552**	11,762
Direct costs		**(5,929)**	(7,592)
		3,623	4,170
Other net income	5	**305**	1,035
Selling and marketing expenses		**(512)**	(616)
Administrative expenses		**(1,112)**	(1,071)
Profit from operations before changes in fair value of investment properties and investment properties under development		**2,304**	3,518
Decrease in fair value of investment properties and investment properties under development	6	**(427)**	(146)
Profit from operations after changes in fair value of investment properties and investment properties under development		**1,877**	3,372
Finance costs	7(a)	**(1,205)**	(820)
Bank interest income		**272**	241
Net finance costs		**(933)**	(579)
Share of profits less losses of associates		**1,280**	1,322
Share of profits less losses of joint ventures		**338**	156
Profit before taxation	7	**2,562**	4,271
Income tax	8	**430**	(286)
Profit for the period		**2,992**	3,985

Consolidated Statement of Profit or Loss
for the six months ended 30 June 2025 - unaudited (continued)

		For the six months ended 30 June	
		2025	2024
	Note	**HK$ million**	HK$ million
Attributable to:			
Equity shareholders of the Company		**2,908**	3,174
Non-controlling interests		**84**	811
Profit for the period		**2,992**	3,985
Earnings per share based on profit attributable to equity shareholders of the Company (reported earnings per share)			
Basic and diluted	*9(a)*	***HK$0.60***	*HK$0.66*
Earnings per share excluding the effects of the Group's aggregate attributable share of changes in fair value of investment properties and investment properties under development (net of deferred tax) (underlying earnings per share)			
Basic and diluted	*9(b)*	***HK$0.63***	*HK$1.12*

Details of dividends payable to equity shareholders of the Company are set out in note 10.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2025 - unaudited

	For the six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
Profit for the period	**2,992**	3,985
Other comprehensive income for the period-net, after tax and reclassification adjustments:		
Items that will not be reclassified to profit or loss:		
- Investments in equity securities designated as financial assets at fair value through other comprehensive income (non-recycling)	**33**	40
- Share of other comprehensive income of associates and joint ventures	**(16)**	(30)
Items that may be reclassified subsequently to profit or loss:		
- Exchange differences	**662**	(322)
- Cash flow hedges	**(173)**	21
- Share of other comprehensive income of associates and joint ventures	**903**	(686)
Other comprehensive income for the period	**1,409**	(977)
Total comprehensive income for the period	**4,401**	3,008
Attributable to:		
Equity shareholders of the Company	**4,293**	2,192
Non-controlling interests	**108**	816
Total comprehensive income for the period	**4,401**	3,008

Consolidated Statement of Financial Position
at 30 June 2025

	Note	**At 30 June 2025 (unaudited) HK$ million**	At 31 December 2024 (audited) HK$ million
Non-current assets			
Investment properties		**273,871**	271,874
Other property, plant and equipment		**6,187**	4,389
Right-of-use assets		**960**	981
Goodwill		**262**	262
Trademarks		**92**	94
Interest in associates		**50,669**	50,564
Interest in joint ventures		**79,088**	77,876
Derivative financial instruments		**312**	514
Other financial assets		**4,715**	4,611
Deferred tax assets		**1,761**	1,082
		417,917	412,247
Current assets			
Deposits for acquisition of properties		**366**	369
Inventories	12	**84,234**	85,608
Trade and other receivables	13	**12,478**	14,023
Cash held by stakeholders		**976**	1,074
Cash and bank balances		**16,600**	17,919
		114,654	118,993
Current liabilities			
Trade and other payables	14	**24,464**	26,811
Amounts due to related companies		**50**	97
Lease liabilities		**279**	262
Bank loans		**8,672**	8,001
Guaranteed notes		**2,692**	9,585
Tax payable		**1,094**	1,055
		37,251	45,811
Net current assets		**77,403**	73,182
Total assets less current liabilities		**495,320**	485,429

Consolidated Statement of Financial Position
at 30 June 2025 (continued)

	Note	**At 30 June 2025 (unaudited) HK$ million**	At 31 December 2024 (audited) HK$ million
Non-current liabilities			
Bank loans		**61,292**	54,626
Guaranteed notes		**7,820**	10,024
Amount due to a fellow subsidiary		**73,923**	66,215
Amounts due to related companies		**3,489**	3,575
Derivative financial instruments		**671**	996
Lease liabilities		**717**	757
Provision for reinstatement costs		**18**	14
Deferred tax liabilities		**8,661**	8,645
		156,591	144,852
NET ASSETS		**338,729**	340,577
CAPITAL AND RESERVES			
Share capital		**52,345**	52,345
Other reserves		**267,793**	269,802
Total equity attributable to equity shareholders of the Company		**320,138**	322,147
Non-controlling interests		**18,591**	18,430
TOTAL EQUITY		**338,729**	340,577

Notes:

1 Review of results

The interim results set out in this preliminary announcement do not constitute the Group's condensed interim financial statements for the six months ended 30 June 2025 but are extracted from those financial statements.

The condensed interim financial statements comprise those of Henderson Land Development Company Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") and have equity accounted for the Group's interests in associates and joint ventures.

The condensed interim financial statements are unaudited, but have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). KPMG's independent review report to the Company's Board of Directors is included in the interim report to be sent to the Company's shareholders. In addition, the condensed interim financial statements have been reviewed by the Company's Audit Committee with no disagreement.

2 Basis of preparation

The condensed interim financial statements have been prepared in accordance with the applicable disclosure provisions of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting* issued by the HKICPA. They were authorised for issuance on 20 August 2025.

The condensed interim financial statements have been prepared in accordance with the same accounting policies adopted in the Company's consolidated financial statements for the year ended 31 December 2024 ("the 2024 financial statements"), except for the accounting policy changes that are expected to be reflected in the Company's consolidated financial statements for the year ending 31 December 2025. Details of these changes in accounting policies are set out in note 3.

The condensed interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 financial statements. The condensed interim financial statements and notes thereon do not include all of the information required for full set of financial statements in accordance with HKFRS Accounting Standards.

2 Basis of preparation (continued)

The financial information relating to the financial year ended 31 December 2024 that is included in the condensed interim financial statements for the six months ended 30 June 2025 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to such statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters (including those matters described in the "Key Audit Matters" section) to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

3 Changes in accounting policies

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to the Group's condensed interim financial statements for the current accounting period. The amendments do not have a material impact on the Group's financial results or financial position as the Group has not entered into foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

4 Revenue

Revenue of the Group represents revenue from property development (including sales of properties), rental income, operation and management of department stores and supermarket-cum-stores, hotel room operation and other businesses mainly including income from hotel management (other than hotel room operation), construction, provision of finance, investment holding, project management, property management, agency services, security guard and cleaning services, food and beverage operation, travel operation, as well as the trading of building materials.

The major items are analysed as follows:

	For the six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
Property development (including sales of properties)	**4,008**	4,943
Rental income	**3,363**	3,459
Department stores and supermarket-cum-stores operations *(note (i))*	**745**	778
Hotel room operation	**156**	165
Other businesses	**1,280**	2,417
Total (note 11(b))	**9,552**	11,762

Note:

(i) Including commission income earned from consignment and concessionaire counters of the department stores operation, and the commission income earned from consignment counters of the supermarket-cum-stores operation, in the aggregate amount of HK$172 million for the six months ended 30 June 2025 (2024: HK$188 million).

In accordance with HKFRS 15, *Revenue from contracts with customers*, (i) revenue from sale of properties and sales of goods from department stores and supermarket-cum-stores operations (including the commission income from consignment and concessionaire counters) are recognised at a point in time; and (ii) revenue from hotel room operation and promotion income from department stores and supermarket-cum-stores operations are recognised over time. Rental income recognised from HKFRS 16, *Leases* is categorically classified as revenue from other sources. In respect of the Group's other businesses, revenue from construction, property management, asset management, project management, security guard and cleaning services in the aggregate amount of HK$459 million (2024: HK$1,558 million) is recognised over time while the remaining is recognised at a point in time.

At 30 June 2025, the cumulative aggregate amount of revenue expected to be recognised in the consolidated statement of profit or loss in the future from pre-completion sales contracts entered into in relation to the Group's properties held for/under development for sale and completed properties for sale held by the Group's subsidiaries, which are pending assignment in Hong Kong and mainland China, amounted to HK$10,390 million (31 December 2024: HK$8,621 million) and which will be recognised when the pre-sold properties are assigned to the customers.

5 Other net income

	For the six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
Net loss on transfer of a subsidiary regarding an investment property *(note (i))*	**-**	(2)
Net gain on disposal of investment properties	**-**	94
Aggregate net gain on sales of property interests (note 11(a))	**-**	92
Provision on inventories, net (note 11(a))	**(69)**	(25)
Net fair value gain/(loss) on investments measured as financial assets at fair value through profit or loss (“FVPL”)	**9**	(11)
Net fair value gain/(loss) on derivative financial instruments at FVPL:		
- Interest rate swap contracts, cross currency swap contracts, cross currency interest rate swap contracts and foreign exchange forward contracts (for which no hedge accounting was applied during the period)	**48**	(61)
Gain on land resumption (note 11(a))*(note (ii))*	**240**	1,059
Impairment loss on trade debtors, net (note 11(c))	**(9)**	(10)
Exchange gain/(loss), net	**84**	(26)
Others	**2**	17
	305	1,035

Notes:

(i) During the corresponding six months ended 30 June 2024, the amount comprised the loss attributable to reported profit in relation to the Group’s transfer to an independent third party of its interest in the entire issued share capital of a wholly-owned subsidiary which owns “Harbour East”, being an investment property at No. 218 Electric Road, North Point, Hong Kong, and the related shareholder’s loan pursuant to an agreement entered into between the parties on 10 December 2023. The transfer was completed on 28 January 2024. Taking into account the cumulative fair value gain on the investment property disposed of in the amount of HK$1,409 million, the Group recognised a gain on transfer attributable to underlying profit in the amount of HK$1,407 million during the corresponding six months ended 30 June 2024.

(ii) During the corresponding six months ended 30 June 2024, the amount comprised mainly the pre-tax gain attributable to reported profit of HK$1,055 million resulting from the resumption by the HKSAR Government in April 2024 of certain land lots of approximately 1.45 million square feet held by the Group in Fanling North and Kwu Tung North New Development Areas, the New Territories, Hong Kong, for an aggregate cash compensation of approximately HK$1,860 million.

6 Decrease in fair value of investment properties and investment properties under development

The Group's investment properties and investment properties under development were revalued at 30 June 2025 by Cushman & Wakefield Limited, a firm of professional surveyors who have among their staff Members of The Hong Kong Institute of Surveyors with recent experience in the location and category of properties being valued, on a market value basis.

The Group's management has reviewed the valuation results performed by the surveyors for financial reporting purposes by verifying all major inputs and assumptions, and assessing the reasonableness of property valuation. Such valuation is performed at each interim and annual reporting date and is reviewed and approved by senior management.

The valuations of completed investment properties in Hong Kong and mainland China were primarily based on income capitalisation approach which capitalised the net income of the properties and taking into account the reversionary potential of the properties after expiry of the current lease.

For certain investment properties in Hong Kong and mainland China which are still under development, the valuations were determined on redevelopment basis and by estimating the fair value of such properties as if they were completed in accordance with the relevant development plan and then deducting from that amount the estimated costs to complete the construction, financing costs and a reasonable profit margin.

As a result, a net fair value loss on the Group's investment properties and investment properties under development in Hong Kong and mainland China (after deducting non-controlling interests' attributable share and deferred tax), excluding those held by associates and joint ventures, in the amount of HK$208 million (2024: HK$665 million) has been recognised in the consolidated statement of profit or loss for the six months ended 30 June 2025 (see note 9(b)).

In aggregate, the Group's attributable share of the net fair value losses (net of deferred tax) on investment properties and investment properties under development held by subsidiaries, associates and joint ventures for the six months ended 30 June 2025 amounted to HK$132 million (2024: HK$820 million).

6 Decrease in fair value of investment properties and investment properties under development (continued)

A reconciliation of the abovementioned figures is as follows:-

For the six months ended 30 June 2025

	Hong Kong	Mainland China	Total
	HK$ million	HK$ million	HK$ million
Fair value gain/(loss) on investment properties and investment properties under development held by			
- subsidiaries (before deducting non-controlling interests' attributable share and deferred tax)	313	(740)	(427)
Less :			
Deferred tax	-	166	166
Non-controlling interests' attributable share of the fair value loss/(gain) (net of deferred tax)	57	(4)	53
(after deducting non-controlling interests' attributable share and deferred tax) (note 9(b))	370	(578)	(208)
- associates (Group's attributable share) (notes 9(b) and 11(a)(iii))	(108)	1	(107)
- joint ventures (Group's attributable share) (notes 9(b) and 11(a)(iv))	(40)	223	183
	222	(354)	(132)

6 Decrease in fair value of investment properties and investment properties under development (continued)

A reconciliation of the abovementioned figures is as follows:- (continued)

For the six months ended 30 June 2024

	Hong Kong	Mainland China	Total
	HK$ million	HK$ million	HK$ million
Fair value gain/(loss) on investment properties and investment properties under development held by			
- subsidiaries (before deducting non-controlling interests' attributable share and deferred tax)	443	(589)	(146)
Less :			
Deferred tax	-	136	136
Non-controlling interests' attributable share of the fair value gain (net of deferred tax)	(647)	(8)	(655)
(after deducting non-controlling interests' attributable share and deferred tax) (note 9(b))	(204)	(461)	(665)
- associates (Group's attributable share) (notes 9(b) and 11(a)(iii))	(87)	-	(87)
- joint ventures (Group's attributable share) (notes 9(b) and 11(a)(iv))	48	(116)	(68)
	(243)	(577)	(820)

7 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
(a) Finance costs:		
Bank loans interest	**1,252**	1,290
Interest on other loans	**1,216**	1,602
Interest on guaranteed notes	**277**	445
Finance cost on lease liabilities	**18**	20
Other borrowing costs	**70**	76
	2,833	3,433
Less: Amount capitalised *(note)*	**(1,628)**	(2,613)
Finance costs (note 11(a))	**1,205**	820

Note: The borrowing costs have been capitalised at weighted average interest rates based on the principal amounts of the Group's bank loans, guaranteed notes and other loans during the six months ended 30 June 2025 under which interest capitalisation was applicable, ranging from 3.08% to 4.40% (2024: ranging from 3.36% to 6.01%) per annum.

7 Profit before taxation (continued)

Profit before taxation is arrived at after charging/(crediting): ***(continued)***

	For the six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
(b) Staff costs:		
Salaries, wages and other benefits	**1,534**	1,471
Contributions to defined contribution retirement plans	**60**	62
	1,594	1,533

	For the six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
(c) Other items:		
Amortisation of trademarks	**2**	2
Depreciation		
– on other property, plant and equipment	**86**	100
– on right-of-use assets	**143**	145
	231	247
	(note 11(c))	(note 11(c))
Cost of sales		
– properties for sale	**3,299**	3,826
– trading stocks and consumable stores	**504**	511
Dividend income from investments designated as financial assets at fair value through other comprehensive income (“FVOCI”) (non-recycling) and investments measured as financial assets at FVPL		
– listed	**(6)**	(9)
– unlisted	**(4)**	(3)

8 Income tax

	For the six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
Current tax		
Provision for Hong Kong Profits Tax	**208**	271
Provision for taxation outside Hong Kong	**100**	152
Provision/(over-provision) for Land Appreciation Tax	**7**	(29)
	315	394
Deferred tax		
Origination and reversal of temporary differences	**(745)**	(108)
Income tax (credit)/charge	**(430)**	286

Provision for Hong Kong Profits Tax has been made at 16.5% (2024: 16.5%) on the estimated assessable profits for the period.

Provision for taxation outside Hong Kong is provided for at the applicable rates of taxation for the period on the estimated assessable profits arising in the relevant foreign tax jurisdictions during the period.

Land Appreciation Tax is levied on properties in mainland China developed by the Group for sale, at progressive rates ranging from 30% to 60% (2024: 30% to 60%) on the appreciation of land value, which under the applicable regulations is calculated based on the revenue from sale of properties less deductible expenditure including lease charges of land use rights, borrowing costs and property development expenditure.

9 Earnings per share

(a) Reported earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to equity shareholders of the Company of HK$2,908 million (2024: HK$3,174 million) and the weighted average number of 4,841 million ordinary shares (2024: 4,841 million ordinary shares) in issue during the period.

Diluted earnings per share were the same as the basic earnings per share for the period and the corresponding six months ended 30 June 2024 as there were no dilutive potential ordinary shares in existence during both periods.

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are additionally calculated based on the consolidated profit attributable to equity shareholders of the Company after excluding the effects of changes in fair value of investment properties and investment properties under development ("Underlying Profit") of HK$3,048 million (2024: HK$5,441 million). A reconciliation of profit is as follows:

	For the six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
Profit attributable to equity shareholders of the Company	**2,908**	3,174
Fair value loss of investment properties and investment properties under development during the period (after deducting non-controlling interests' attributable share and deferred tax)(note 6)	**208**	665
Share of fair value (gain)/loss of investment properties (net of deferred tax) during the period:		
− associates (note 6)	**107**	87
− joint ventures (note 6)	**(183)**	68
The Group's attributable share of the cumulative fair value gain of investment properties disposed of during the period, net of tax:		
− subsidiaries	**8**	1,447
Underlying Profit	**3,048**	5,441
Underlying earnings per share, based on the weighted average number of ordinary shares in issue during the period (note 9(a))	**HK$0.63**	HK$1.12

10 Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

	For the six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
Interim dividend declared after the interim period of HK$0.50 (2024: HK$0.50) per share	**2,421**	2,421

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

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period

	For the six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK$1.30 (2024: HK$1.30) per share	**6,294**	6,294

11 Segment reporting

The Group manages its businesses by a mixture of business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance, the Group has identified the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

Property development	:	Development and sale of properties
Property leasing	:	Leasing of properties
Department stores and supermarket-cum-stores operations	:	Operation and management of department stores and supermarket-cum-stores
Hotel room operation	:	The operation of hotel properties owned by the Group generating room revenue
Other businesses	:	Hotel management (other than hotel room operation), construction, provision of finance (other than interest income from mortgage loans as well as interest income from property development joint ventures which are classified under "*Property development*" segment), investment holding, project management, property management, agency services, security guard and cleaning services, food and beverage operation, travel operation, as well as the trading of building materials
Utility and energy	:	Production, distribution and marketing of gas, water supply, renewable energy businesses and emerging energy businesses

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases.

Revenue and expenses are allocated to the reportable segments with reference to revenues generated by those segments and the expenses incurred by those segments. Segment results form the basis of measurement used for assessing segment performance and represent profit or loss before provision on inventories, net, sales of property interests, fair value change on investment properties and investment properties under development, net finance costs, income tax and items not specifically attributed to individual reportable segments, such as unallocated head office and corporate expenses, net.

(a) Results of reportable segments

Information regarding the Group's and its share of associates and joint ventures on reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2025 and 30 June 2024 is set out below.

11 Segment reporting (continued)

(a) Results of reportable segments (continued)

For the six months ended 30 June 2025	Company and its subsidiaries (before deducting non-controlling interests) Revenue (note (i)) HK$ million	Segment results HK$ million	Associates and joint ventures Share of revenue HK$ million	Share of segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million	Attributable to non-controlling interests Revenue HK$ million	Segment results HK$ million	Attributable to equity shareholders of the Company Combined revenue HK$ million	Consolidated segment results HK$ million
Property development									*(note 1)*	*(note 1)*
Hong Kong	3,019	358	811	(37)	3,830	321	(18)	(11)	3,812	310
Mainland China	989	(14)	1,372	(91)	2,361	(105)	-	(3)	2,361	(108)
	4,008	344	2,183	(128)	6,191	216	(18)	(14)	6,173	202
Property leasing										
Hong Kong	2,474	1,771	1,122	866	3,596	2,637	(185)	(154)	3,411	2,483
Mainland China	889	656	44	14	933	670	(11)	(9)	922	661
(note (ii))	3,363	2,427	1,166	880	4,529	3,307	(196)	(163)	4,333	3,144
Department stores and supermarket-cum-stores operations										
-sale of own goods	603	(32)	-	-	603	(32)	(184)	14	419	(18)
-rental of consignment and concessionaire counters	142	61	-	-	142	61	(44)	(4)	98	57
	745	29	-	-	745	29	(228)	10	517	39
Hotel room operation	156	36	138	41	294	77	(78)	(18)	216	59
Other businesses	1,280	(30)	180	19	1,460	(11)	(398)	38	1,062	27
	9,552	2,806	3,667	812	13,219	3,618	(918)	(147)	12,301	3,471
Utility and energy	-	-	17,182	1,937	17,182	1,937	-	-	17,182	1,937
	9,552	2,806	20,849	2,749	30,401	5,555	(918)	(147)	29,483	5,408

11 Segment reporting (continued)

(a) Results of reportable segments (continued)

For the six months ended 30 June 2025 (continued)	Company and its subsidiaries (before deducting non-controlling interests) Revenue (note (i)) HK$ million	Segment results HK$ million	Associates and joint ventures Share of revenue HK$ million	Share of segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million	Attributable to non-controlling interests Revenue HK$ million	Segment results HK$ million	Attributable to equity shareholders of the Company Combined revenue HK$ million	Consolidated segment results HK$ million
Provision on inventories, net	(note 5)	(69)		(1)		(70)		-		(70)
Sales of property interests *(note 2)*	(note 5)	-		-		-		-		-
Unallocated head office and corporate expenses, net		(433)		(26)		(459)		(1)		(460)
Profit from operations		2,304		2,722		5,026		(148)		4,878
(Decrease)/increase in fair value of investment properties and investment properties under development		(427)		139		(288)		24		(264)
Finance costs	(note 7(a))	(1,205)		(697)		(1,902)		50		(1,852)
Bank interest income		272		56		328		(54)		274
Net finance costs		(933)		(641)		(1,574)		(4)		(1,578)
Profit before taxation		944		2,220		3,164		(128)		3,036
Income tax		430		(602)		(172)		44		(128)
Profit for the period		1,374		1,618		2,992		(84)		2,908

Notes:

(1) The revenue and segment results for the six months ended 30 June 2025 related to the sale of leasehold land, interest income from mortgage loans and interest income from property development joint ventures (of which revenue in the amounts of HK$2 million, HK$77 million and HK$Nil respectively and segment profit in the amounts of HK$1 million, HK$71 million and HK$Nil respectively) are classified under the "Property development" segment. The pre-tax profit contribution from the property development segment in Hong Kong for the six months ended 30 June 2025 also included the pre-tax gain attributable to reported profit in the aggregate amount of HK$240 million upon the resumption by the HKSAR Government of the Group's leasehold land during the period (note 5).

(2) The Group's attributable share of the realised cumulative fair value gain of investment properties disposed of during the six months ended 30 June 2025 amounted to HK$8 million (note 9(b)). Adding to it the Group's attributable share of net gain/loss attributable to reported profit on disposal of investment properties of HK$Nil (see above) for the six months ended 30 June 2025, the Group's attributable share of the realised gain from the sales of property interests attributable to underlying profit amounted to HK$8 million during the six months ended 30 June 2025.

11 Segment reporting (continued)

(a) Results of reportable segments (continued)

In relation to the share of profits less losses of associates and joint ventures:

	Property development HK$ million	Property leasing HK$ million	Hotel room operation HK$ million	Other businesses HK$ million	Sub-total HK$ million	Utility and energy HK$ million	Total HK$ million
For the six months ended 30 June 2025							
Share of profits less losses of associates *(note (iii))*							
- Material listed associate The Hong Kong and China Gas Company Limited	-	74	4	(427)	(349)	1,576	1,227
- Other listed associates and unlisted associates	-	(32)	-	85	53	-	53
	-	42	4	(342)	(296)	1,576	1,280
Share of profits less losses of joint ventures *(note (iv))*	(169)	631	16	(140)	338	-	338
	(169)	673	20	(482)	42	1,576	1,618

11 Segment reporting (continued)
(a) Results of reportable segments (continued)

For the six months ended 30 June 2024	Company and its subsidiaries (before deducting non-controlling interests) Revenue *(note (i))* HK$ million	Company and its subsidiaries (before deducting non-controlling interests) Segment results HK$ million	Associates and joint ventures Share of revenue HK$ million	Associates and joint ventures Share of segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million	Attributable to non-controlling interests Revenue HK$ million	Attributable to non-controlling interests Segment results HK$ million	Attributable to equity shareholders of the Company Combined revenue HK$ million	Attributable to equity shareholders of the Company Consolidated segment results HK$ million
Property development									*(note 1)*	*(note 1)*
Hong Kong	4,927	1,523	11	(4)	4,938	1,519	(21)	(20)	4,917	1,499
Mainland China	16	(48)	2,835	22	2,851	(26)	-	(2)	2,851	(28)
	4,943	1,475	2,846	18	7,789	1,493	(21)	(22)	7,768	1,471
Property leasing										
Hong Kong	2,453	1,795	1,144	886	3,597	2,681	(194)	(169)	3,403	2,512
Mainland China	1,006	749	47	22	1,053	771	(10)	(7)	1,043	764
(note (ii))	3,459	2,544	1,191	908	4,650	3,452	(204)	(176)	4,446	3,276
Department stores and supermarket-cum-stores operations										
-sale of own goods	619	(41)	-	-	619	(41)	(188)	20	431	(21)
-rental of consignment and concessionaire counters	159	65	-	-	159	65	(49)	(1)	110	64
	778	24	-	-	778	24	(237)	19	541	43
Hotel room operation	165	45	125	31	290	76	(82)	(24)	208	52
Other businesses	2,417	19	182	149	2,599	168	(435)	21	2,164	189
	11,762	4,107	4,344	1,106	16,106	5,213	(979)	(182)	15,127	5,031
Utility and energy	-	-	17,860	1,901	17,860	1,901	-	-	17,860	1,901
	11,762	4,107	22,204	3,007	33,966	7,114	(979)	(182)	32,987	6,932

11 Segment reporting (continued)

(a) Results of reportable segments (continued)

	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures				Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue *(note (i))*	Segment results	Share of revenue	Share of segment results	Combined revenue	Consolidated segment results	Revenue	Segment results	Combined revenue	Consolidated segment results
For the six months ended 30 June 2024 (continued)	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Provision on inventories, net	(note 5)	(25)		-		(25)		-		(25)
Sales of property interests *(note 2)*	(note 5)	92		-		92		-		92
Unallocated head office and corporate expenses, net		(656)		(102)		(758)		6		(752)
Profit from operations		3,518		2,905		6,423		(176)		6,247
Decrease in fair value of investment properties and investment properties under development		(146)		(159)		(305)		(657)		(962)
Finance costs	(note 7(a))	(820)		(789)		(1,609)		46		(1,563)
Bank interest income		241		126		367		(69)		298
Net finance costs		(579)		(663)		(1,242)		(23)		(1,265)
Profit before taxation		2,793		2,083		4,876		(856)		4,020
Income tax		(286)		(605)		(891)		45		(846)
Profit for the period		2,507		1,478		3,985		(811)		3,174

Notes:

(1) The revenue and segment results for the corresponding six months ended 30 June 2024 related to the sale of leasehold land, interest income from mortgage loans and interest income from property development joint ventures (of which revenue in the amounts of HK$Nil, HK$105 million and HK$40 million respectively and segment profit in the amounts of HK$Nil, HK$96 million and HK$40 million respectively) are classified under the "Property development" segment. The pre-tax profit contribution from the property development segment in Hong Kong for the corresponding six months ended 30 June 2024 also included the pre-tax gain attributable to reported profit in the aggregate amount of HK$1,059 million upon the resumption by the HKSAR Government of the Group's leasehold land during the period (note 5).

(2) The Group's attributable share of the realised cumulative fair value gain of investment properties disposed of during the corresponding six months ended 30 June 2024 amounted to HK$1,447 million (note 9(b)). Adding to it the Group's attributable share of net gain attributable to reported profit on disposal of investment properties of HK$92 million (see above) for the corresponding six months ended 30 June 2024, the Group's attributable share of the realised gain from the sales of property interests attributable to underlying profit amounted to HK$1,539 million during the corresponding six months ended 30 June 2024.

11 Segment reporting (continued)

(a) Results of reportable segments (continued)

In relation to the share of profits less losses of associates and joint ventures:

	Property development HK$ million	Property leasing HK$ million	Hotel room operation HK$ million	Other businesses HK$ million	Sub-total HK$ million	Utility and energy HK$ million	Total HK$ million
For the six months ended 30 June 2024							
Share of profits less losses of associates *(note (iii))*							
- Material listed associate The Hong Kong and China Gas Company Limited	-	76	2	(349)	(271)	1,533	1,262
- Other listed associates and unlisted associates	3	(11)	-	68	60	-	60
	3	65	2	(281)	(211)	1,533	1,322
Share of profits less losses of joint ventures *(note (iv))*	(120)	372	6	(102)	156	-	156
	(117)	437	8	(383)	(55)	1,533	1,478

11 Segment reporting (continued)

(a) Results of reportable segments (continued)

Notes:

(i) *The revenue figures above are arrived at after the elimination of inter-segment revenues, in the amounts of HK$216 million (2024: HK$225 million) and HK$1,238 million (2024: HK$1,453 million) in relation to the reportable segments under "Property leasing" and "Others", respectively.*

(ii) *Revenue for the "Property leasing" segment comprised rental income of HK$2,890 million (2024: HK$2,993 million) and rental-related income of HK$473 million (2024: HK$466 million), which in aggregate amounted to HK$3,363 million for the six months ended 30 June 2025 (2024: HK$3,459 million)(see note 4).*

(iii) *The Group's share of profits less losses of associates contributed from the "Property leasing" segment during the period of HK$42 million (2024: HK$65 million) included the Group's attributable share of net decrease in fair value of investment properties (net of deferred tax) during the period of HK$107 million (2024: HK$87 million) (see note 6).*

The Group's share of losses less profits of associates contributed from the "Other businesses" segment during the period of HK$342 million (2024: HK$281 million) included the Group's attributable share of profit after tax from hotel management (other than hotel room operation) during the period of HK$1 million (2024: HK$1 million).

(iv) *The Group's share of profits less losses of joint ventures contributed from the "Property leasing" segment during the period of HK$631 million (2024: HK$372 million) included the Group's attributable share of net increase in fair value of investment properties (net of deferred tax) during the period of HK$183 million (2024: attributable share of net decrease in fair value of investment properties (net of deferred tax) of HK$68 million) (see note 6).*

The Group's share of losses less profits of joint ventures contributed from the "Other businesses" segment during the period of HK$140 million (2024: HK$102 million) included the Group's attributable share of profit after tax from hotel management (other than hotel room operation) during the period of HK$4 million (2024: HK$3 million).

11 Segment reporting (continued)

(b) Geographical information

The following table sets out information about the geographical segment location of (i) the Group's revenue from external customers; and (ii) the Group's investment properties, other property, plant and equipment, right-of-use assets, goodwill, trademarks, interests in associates and joint ventures (together, the "Specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the Specified non-current assets is based on the physical location of the asset in the case of investment properties, other property, plant and equipment and right-of-use assets, the location of the operation to which the cash-generating unit(s) is(are) allocated in the case of goodwill and trademarks, and the location of operations in the case of interests in associates and joint ventures.

	Revenue from external customers		**Specified non-current assets**	
	For the six months ended 30 June		**At 30 June**	At 31 December
	2025	2024	**2025**	2024
	HK$ million	HK$ million	**HK$ million**	HK$ million
Hong Kong	**7,423**	10,502	**343,184**	338,042
Mainland China	**2,129**	1,260	**67,905**	67,962
The United Kingdom	**-**	-	**40**	36
	9,552	11,762	**411,129**	406,040
	(note 4)	(note 4)		

(c) Other segment information

	Depreciation and amortisation		**Impairment loss on trade debtors, net**	
	For the six months ended 30 June		**For the six months ended 30 June**	
	2025	2024	**2025**	2024
	HK$ million	HK$ million	**HK$ million**	HK$ million
Property development	**26**	27	**4**	8
Property leasing	**12**	14	**5**	2
Department stores and supermarket-cum-stores operations				
-sale of own goods	**65**	77	**-**	-
-rental of consignment and concessionaire counters	**3**	3	**-**	-
Hotel room operation	**37**	38	**-**	-
Other businesses	**88**	88	**-**	-
	231	247	**9**	10
	(note 7(c))	(note 7(c))	**(note 5)**	(note 5)

12 Inventories

	At 30 June 2025 HK$ million	At 31 December 2024 HK$ million
Property development		
Leasehold land held for development for sale	**9,524**	9,495
Properties held for/under development for sale	**38,131**	42,281
Completed properties for sale	**36,447**	33,693
	84,102	85,469
Other operations		
Trading stocks and consumable stores	**132**	139
	84,234	85,608

13 Trade and other receivables

		At 30 June 2025 HK$ million	At 31 December 2024 HK$ million
(i)	**Debtors and current receivables**		
	Trade receivables	**282**	310
	Instalments receivable	**91**	103
	Sub-total: Trade debtors	**373**	413
	Other debtors	**5,137**	5,692
	Prepayments and deposits	**3,656**	4,208
	Gross amount due from customers for contract work [^]	**16**	15
	Amounts due from associates	**29**	27
	Amounts due from joint ventures	**57**	203
		9,268	10,558
(ii)	**Other current financial assets**		
	Loans receivable	**2,121**	2,557
	Financial assets measured at FVPL	**1,047**	851
	Derivative financial instruments	**42**	57
		3,210	3,465
		12,478	14,023

[^] *This balance represented the excess of cumulative revenue recognised in profit or loss over the cumulative payments made by customers at the end of the reporting period, and was recognised as contract asset.*

Included in other debtors is an amount receivable of HK$1,864 million (31 December 2024: HK$1,864 million) which was overdue at 30 June 2025, but which is pledged against certain collaterals provided by the debtor.

Loans receivable, of which HK$807 million (31 December 2024: HK$795 million) are secured and interest-bearing at interest rates ranging from 3.8% to 5.5% and Hong Kong Interbank Offered Rate ("HIBOR") plus 2.25% (31 December 2024: ranging from 3.8% to 5.5% and HIBOR plus 2.25%) per annum, and HK$1,314 million (31 December 2024: HK$1,762 million) are unsecured and interest-bearing at interest rates ranging from 6.0% to 8.0% (31 December 2024: ranging from 6.0% to 9.0%) per annum, are both expected to be recovered within one year from the end of the reporting period, and were both not past due at 30 June 2025 and 31 December 2024.

13 Trade and other receivables (continued)

All of the trade and other receivables are expected to be recovered or recognised as expense within one year except for various deposits, prepayments and other debtors of HK$4,092 million (31 December 2024: HK$4,185 million) which are expected to be recovered after more than one year from the end of the reporting period.

The amounts due from associates and joint ventures at 30 June 2025 and 31 December 2024 are unsecured, interest-free, have no fixed terms of repayment and were not past due at 30 June 2025 and 31 December 2024.

At the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the dates of invoices or demand notes and net of loss allowance, is as follows:

	At 30 June 2025 HK$ million	At 31 December 2024 HK$ million
Current or up to 1 month	**242**	252
More than 1 month and up to 3 months	**52**	66
More than 3 months and up to 6 months	**21**	33
More than 6 months	**58**	62
	373	413

Regular review and follow-up actions are carried out on overdue amounts of instalments receivable from sale of properties and loans receivable which enable management to assess their recoverability and to minimise exposure to credit risk. In relation to property sales for which the buyers have entered into mortgage loans advanced by the Group, management mitigates the credit risk by holding collateral in the form of properties to cover the amounts of mortgage loans advanced by the Group to the property buyers. In respect of rental income from leasing properties, monthly rents are received in advance and sufficient rental deposits are held to cover potential exposure to credit risk.

For other trade receivables, credit terms given to customers are generally based on the financial strength and repayment history of each customer, and (i) for property sales transactions, credit terms are granted to buyers in accordance with the sales plans of the projects; and (ii) for property leasing transactions, credit terms granted to tenants generally ranged between 30 days and 60 days from the due date. As such, the Group does not obtain collateral from its customers. An ageing analysis of the receivables is prepared on a regular basis and is closely monitored to minimise any credit risk associated with the receivables. Adequate allowances for impairment losses have been made for estimated irrecoverable amounts.

The Group has made advances to certain associates and certain joint ventures in Hong Kong and mainland China (included within the Group's interests in associates and joint ventures and loans receivable respectively) which are interest-bearing, unsecured, have no fixed repayment terms and have various repayment dates. Management assesses the credit risk on the loans receivable from such associates and joint ventures based on their financial conditions and the profitability of the projects operated by such associates and joint ventures, as well as the counterparty risks of the joint venture partners with reference to their credit ratings and market conditions.

14 Trade and other payables

	At 30 June 2025 HK$ million	At 31 December 2024 HK$ million
Creditors and accrued expenses	**7,782**	8,597
Gross amount due to customers for contract work (#)	**5**	5
Rental and other deposits received	**2,069**	2,007
Forward sales deposits received and other contract liabilities (#)	**5,032**	5,672
Derivative financial instruments	**287**	677
Amounts due to associates	**1,573**	1,543
Amounts due to joint ventures	**7,716**	8,310
	24,464	26,811

(#) *These balances represented the excess of cumulative payments made by customers over the cumulative revenue recognised in profit or loss at the end of the reporting period, and were recognised as contract liabilities.*

At the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the due dates for settlement, is as follows:

	At 30 June 2025 HK$ million	At 31 December 2024 HK$ million
Due within 1 month or on demand	**1,188**	1,574
Due after 1 month but within 3 months	**607**	631
Due after 3 months but within 6 months	**328**	260
Due after 6 months	**2,692**	2,719
	4,815	5,184

The amounts due to associates and joint ventures at 30 June 2025 and 31 December 2024 are unsecured, interest-free and have no fixed terms of repayment except for aggregate amounts due to certain associates and certain joint ventures of HK$995 million (31 December 2024: HK$1,082 million) which are unsecured, interest-bearing at interest rates ranging from 2.45% to 2.92% and Renminbi ("RMB") Loan Prime Rate minus 0.65% to RMB Loan Prime Rate (31 December 2024: ranging from 2.45% to 2.80% and 20% below the RMB Loan Prime Rate) per annum and wholly repayable between 4 July 2025 and 22 April 2026 (31 December 2024: between 28 January 2025 and 19 December 2025).

15 Non-adjusting events after the reporting period

(a) After the end of the reporting period, the Directors declared an interim dividend. Further details are disclosed in note 10(a).

(b) Under a subscription agreement dated 8 July 2025, on 16 July 2025, an indirect wholly-owned subsidiary of the Company (the "Issuer") through an independent financial institution as sole lead manager completed the issuance of HK$8,000 million 0.5% guaranteed unsecured convertible bonds due 2030 (the "Bonds") which are convertible into fully paid shares ("Shares") in the share capital of the Company (the "Conversion Shares") at the option of the holders of the Bonds. The initial conversion price of the conversion of the Bonds into Shares in the Company is HK$36 (the "Initial Conversion Price") (subject to adjustments) and the maturity date of the Bonds is 16 July 2030. The due payment of all amounts to be payable by the Issuer and the due performance by the Issuer of its obligations under the Bonds have been unconditionally and irrevocably guaranteed by the Company.

Assuming full conversion of the Bonds at the Initial Conversion Price and no change to the share capital of the Company, an aggregate of 222,222,222 Conversion Shares would be issued by the Company representing approximately 4.39% of the total number of issued Shares at 30 June 2025 and as enlarged by the allotment and issue of the Conversion Shares. The net proceeds from the issue of the Bonds (net of expenses) is approximately HK$7,920 million.

FINANCIAL REVIEW

Results of operations

The following discussions should be read in conjunction with the Company's unaudited condensed consolidated financial statements for the six months ended 30 June 2025.

Revenue and profit

	Revenue			***Profit/(loss) contribution from operations***		
	Six months ended 30 June			***Six months ended 30 June***		*Increase / (Decrease)*
	2025	2024	*Decrease*	**2025**	2024	
	HK$ million	HK$ million	*%*	**HK$ million**	HK$ million	*%*
Reportable segments						
- Property development	**4,008**	4,943	*-19%*	**344**	1,475	*-77%*
- Property leasing	**3,363**	3,459	*-3%*	**2,427**	2,544	*-5%*
- Department stores and supermarket-cum-stores operations	**745**	778	*-4%*	**29**	24	*+21%*
- Hotel room operation	**156**	165	*-5%*	**36**	45	*-20%*
- Other businesses	**1,280**	2,417	*-47%*	**(30)**	19	*-258%*
	9,552	11,762	*-19%*	**2,806**	4,107	*-32%*

	Six months ended 30 June		
	2025	2024	*Decrease*
	HK$ million	HK$ million	*%*
Profit attributable to equity shareholders of the Company			
- excluding the Group's attributable share of changes in fair value of investment properties and investment properties under development (net of deferred taxation) held by the Group's subsidiaries, associates and joint ventures ("Underlying Profit") *(Note)*	**3,048**	5,441	*-44%*
- including the Group's attributable share of changes in fair value of investment properties and investment properties under development (net of deferred taxation) held by the Group's subsidiaries, associates and joint ventures	**2,908**	3,174	*-8%*

Note :

Underlying profit attributable to equity shareholders of the Company ("Underlying Profit") excludes the Group's attributable share of fair value change (net of deferred tax) of the investment properties and investment properties under development held by subsidiaries, associates and joint ventures. In order to fully exclude the aforesaid effects of changes in fair value from the Underlying Profit, the Group's attributable share of the cumulative fair value gain (net of tax) of investment properties disposed of during the period (which has been included in calculating the net gain on disposal of investment properties and hence the profit attributable to equity shareholders of the Company during the period) of HK$8 million (2024: HK$1,447 million) was added back in arriving at the Underlying Profit.

Below is the comparison of the Underlying Profits for the six months ended 30 June 2025 and 30 June 2024 by excluding (i) certain fair value adjustments; and (ii) certain sizeable transactions which took place during the corresponding six months ended 30 June 2024 but did not recur for the six months ended 30 June 2025 :-

	Six months ended 30 June			
	2025	2024	*Decrease*	
	HK$ million	HK$ million	*HK$ million*	*%*
Underlying Profit	**3,048**	5,441	*(2,393)*	*-44%*
Add / (Less) :				
(i) Net fair value (gain) / loss on derivative financial instruments measured at fair value through profit or loss relating to certain interest rate swap contracts, cross currency swap contracts, cross currency interest rate swap contracts and foreign exchange forward contracts for which no hedge accounting was applied during the period	**(48)**	61	*(109)*	
(ii) Gain on transfer of the Group's entire interest in and shareholder's loan to a wholly-owned subsidiary which owns "Harbour East", an investment property in Hong Kong, attributable to underlying profit	**-**	(1,407)	*1,407*	
Gain on land resumption by the HKSAR Government of the Group's leasehold land lots attributable to underlying profit (as referred to in the paragraph headed "*Resumption of certain land lots by the HKSAR Government during the six months ended 30 June 2025 and the corresponding six months ended 30 June 2024*" below)	**(240)**	(1,096)	*856*	
	2,760	2,999	*(239)*	*-8%*

Discussions on the major reportable segments are set out below.

Property development

The gross revenue and pre-tax profit contributions from the property development segment in Hong Kong, for both periods of six months ended 30 June 2025 and 30 June 2024, comprised the gross revenue and pre-tax profit contributions generated from the sales of properties, gain on land resumption by the HKSAR Government as well as interest income from mortgage loans and interest income from property development joint ventures.

Gross revenue - subsidiaries and by geographical contribution

The gross revenue from property sales during the six months ended 30 June 2025 and 30 June 2024 generated by the Group's subsidiaries, and by geographical contribution, were as follows:-

	Six months ended 30 June			
	2025	2024	*Increase/(Decrease)*	
	HK$ million	HK$ million	*HK$ million*	*%*
By geographical contribution:				
Hong Kong	**3,019**	4,927	*(1,908)*	*-39%*
Mainland China	**989**	16	*973*	*+6,081%*
	4,008	4,943	*(935)*	*-19%*

The gross revenue from property sales in Hong Kong of HK$3,019 million during the six months ended 30 June 2025 was mainly contributed from the following residential development projects completed before 1 January 2025, and the sold units of which were delivered to the buyers during the period :

(i) HK$1,477 million from "Baker Circle · Greenwich" in Hung Hom, Kowloon;

(ii) HK$523 million from "Henley Park" and "The Henley (Phases 1 to 3)" in The Kai Tak Development Area, Kowloon;

(iii) HK$295 million from "The Quinn · Square Mile" in Mong Kok, Kowloon;

(iv) HK$145 million from "Eden Manor" in Kwu Tung, the New Territories;

(v) HK$119 million from "Baker Circle · Euston" in Hung Hom, Kowloon; and

(vi) HK$75 million from "Gateway · Square Mile" in Mong Kok, Kowloon which was completed in April 2025.

The gross revenue from property sales in mainland China of HK$989 million during the six months ended 30 June 2025 was mainly contributed as to HK$843 million from the "Changan Project" in Shijiazhuang and HK$135 million from a residential project in Chaoyang District, Beijing, both being residential development projects completed before 1 January 2025 and the sold units of which were delivered to the buyers during the period.

Pre-tax profits/(losses) – by geographical distribution and from subsidiaries, associates and joint ventures

The Group's attributable share of pre-tax profits/(losses) from property development, by geographical contribution and from subsidiaries (after deducting non-controlling interests), associates and joint ventures during the six months ended 30 June 2025 and 30 June 2024, were as follows:-

	Six months ended 30 June			
	2025	2024	*Increase/(Decrease)*	
	HK$ million	HK$ million	*HK$ million*	*%*
By geographical contribution:				
Hong Kong	**310**	1,499	*(1,189)*	*-79%*
Mainland China	**(108)**	(28)	*(80)*	*+286%*
	202	1,471	*(1,269)*	*-86%*

The decrease in the Group's attributable share of pre-tax profits from property development in Hong Kong during the six months ended 30 June 2025 of HK$1,189 million (or 79%) was mainly due to the pre-tax gain attributable to reported profit in the aggregate amount of HK$1,059 million upon the resumption by the HKSAR Government of the Group's leasehold land held for development for sale during the corresponding six months ended 30 June 2024, whilst for the six months ended 30 June 2025, the Group recognised a pre-tax gain attributable to reported profit of HK$240 million upon the resumption by the HKSAR Government of the Group's leasehold land held for development for sale.

The increase in the Group's attributable share of pre-tax losses from property sales in mainland China during the six months ended 30 June 2025 of HK$80 million (or 286%) was mainly due to the decrease of HK$150 million in the Group's attributable share of pre-tax profit contribution from "CIFI Centre" in Chengdu which was partially offset by the increase of HK$54 million in the Group's attributable share of pre-tax profit contribution from the joint venture project in Dalian.

	Six months ended 30 June			
	2025	2024	*Decrease*	
	HK$ million	HK$ million	*HK$ million*	*%*
By contribution from subsidiaries (after deducting non-controlling interests), associates and joint ventures:				
Subsidiaries	**330**	1,453	*(1,123)*	*-77%*
Associates	**-**	3	*(3)*	*-100%*
Joint ventures	**(128)**	15	*(143)*	*-953%*
	202	1,471	*(1,269)*	*-86%*

The decrease of HK$1,123 million (or 77%) in the Group's attributable share of pre-tax profits from property development of the Group's subsidiaries during the six months ended 30 June 2025 was mainly due to the pre-tax gain attributable to reported profit in the aggregate amount of HK$1,059 million upon the resumption by the HKSAR Government of the Group's leasehold land held for development for sale during the corresponding six months ended 30 June 2024 (as referred to above).

The decrease of HK$143 million (or 953%) in the Group's attributable share of pre-tax profits from property sales of the Group's joint ventures during the six months ended 30 June 2025 comprised mainly the decrease of HK$114 million in the Group's attributable share of pre-tax profit contributions from the joint ventures in mainland China, particularly in relation to those joint ventures engaged in property development in Chengdu, Guangzhou, Beijing and Dongguan.

Property leasing

Gross revenue – subsidiaries and by geographical contribution

The gross revenue from property leasing during the six months ended 30 June 2025 and 30 June 2024 generated by the Group's subsidiaries, and by geographical contribution, were as follows:-

	Six months ended 30 June			
	2025	2024	*Increase/(Decrease)*	
	HK$ million	HK$ million	*HK$ million*	*%*
By geographical contribution:				
Hong Kong	**2,474**	2,453	*21*	*+1%*
Mainland China	**889**	1,006	*(117)*	*-12%*
	3,363	3,459	*(96)*	*-3%*

Pre-tax net rental income – by geographical distribution and from subsidiaries, associates and joint ventures

The Group's attributable share of pre-tax net rental income, by geographical contribution and from subsidiaries (after deducting non-controlling interests), associates and joint ventures during the six months ended 30 June 2025 and 30 June 2024, were as follows:-

	Six months ended 30 June			
	2025	2024	*Decrease*	
	HK$ million	HK$ million	*HK$ million*	*%*
By geographical contribution:				
Hong Kong	**2,483**	2,512	*(29)*	*-1%*
Mainland China	**661**	764	*(103)*	*-13%*
	3,144	3,276	*(132)*	*-4%*
By contribution from subsidiaries (after deducting non-controlling interests), associates and joint ventures:				
Subsidiaries	**2,264**	2,368	*(104)*	*-4%*
Associates	**236**	246	*(10)*	*-4%*
Joint ventures	**644**	662	*(18)*	*-3%*
	3,144	3,276	*(132)*	*-4%*

For Hong Kong, on an overall portfolio basis, there was a period-on-period increase of HK$21 million (or 1%) in rental revenue contribution and a period-on-period decrease of HK$29 million (or 1%) in the Group's attributable share of pre-tax net rental income contribution for the six months ended 30 June 2025. Despite the period-on-period increase in pre-tax net rental income contribution from "The Henderson" (being an investment property in Hong Kong which was completed in January 2024) of HK$34 million, this was nevertheless mainly offset by the period-on-period decreases in (i) the pre-tax net rental income contribution from the investment properties held by certain of the Group's subsidiaries of HK$36 million; (ii) the Group's attributable share of pre-tax net rental income contribution from "ifc" project of HK$12 million; (iii) the Group's attributable share of pre-tax net rental income contribution from the investment properties held by Miramar Hotel and Investment Company, Limited ("Miramar", a non-wholly owned listed subsidiary of the Group) of HK$7 million; and (iv) the Group's attributable share of pre-tax net rental income contribution from the investment properties held by associates of HK$10 million, all in comparison with the corresponding six months ended 30 June 2024.

For mainland China, on an overall portfolio basis, there was a period-on-period decrease of HK$117 million (or 12%) in rental revenue contribution and a period-on-period decrease of HK$103 million (or 13%) in the Group's attributable share of pre-tax net rental income contribution for the six months ended 30 June 2025. Based on the average exchange rates between the Renminbi ("RMB") and Hong Kong dollars ("HKD") for the two financial periods of six months ended 30 June 2025 and 30 June 2024, there was a period-on-period depreciation of RMB against HKD by approximately 2% during the six months ended 30 June 2025, and excluding the effect of foreign currency translation, there was in RMB terms :

(i) a period-on-period decrease in gross rental income of 10% which was mainly attributable to the decrease in rental revenue contribution of "World Financial Centre" in Beijing due to a lower average occupancy rate during the six months ended 30 June 2025 compared with that for the corresponding six months ended 30 June 2024; and

(ii) a period-on-period decrease in the Group's attributable share of pre-tax net rental income of 12% which was also mainly attributable to the decrease in rental revenue contribution of "World Financial Centre" in Beijing for the reason as referred to above.

Department stores and supermarket-cum-stores operations

Department stores and supermarket-cum-stores operations are carried out by Citistore (Hong Kong) Limited ("Citistore") and Unicorn Stores (HK) Limited ("Unicorn") respectively, both being wholly-owned subsidiaries of Henderson Investment Limited, a non-wholly owned listed subsidiary of the Group. For the six months ended 30 June 2025, revenue contribution amounted to HK$745 million (2024: HK$778 million) which represented a period-on-period decrease of HK$33 million (or 4%) from that for the corresponding six months ended 30 June 2024. The decrease in revenue during the six months ended 30 June 2025 was mainly attributable to the fall in retail sales of the Group due to the continuing increase in outbound travel, and cross-border consumption and shopping.

Profit contribution (after the elimination of rental expenditure payable by Citistore and Unicorn to the Group, in respect of certain store premises leased by Citistore and Unicorn from the Group for business operation) for the six months ended 30 June 2025 increased by HK$5 million (or 21%) to HK$29 million (2024: HK$24 million). The increase in profit contribution was mainly attributable to the better cost control and savings in operating expenditures during the six months ended 30 June 2025.

Hotel room operation

This mainly relates to the sales of hotel rooms by Miramar in respect of "The Mira Hong Kong Hotel" and "Mira Moon Hotel", being the two hotels operated by Miramar in Hong Kong.

During the six months ended 30 June 2025, revenue amounted to HK$156 million (2024: HK$165 million) and pre-tax profit amounted to HK$36 million (2024: HK$45 million), representing a period-on-period decrease in revenue of HK$9 million (or 5%) and a period-on-period decrease in pre-tax profit of HK$9 million (or 20%). The decrease in revenue contribution for the period under review was mainly due to the drop in the occupancy rate of The Mira Hong Kong Hotel in

June 2025 as a result of the partial renovation of its guestrooms. The more remarkable decrease in pre-tax profit contribution for the period under review, in percentage terms, was due to the increase in direct costs such as staff costs and commissions to travel agents, as well as the increase in selling and marketing expenditures on advertising and promotion activities.

Other businesses

Other businesses mainly comprise hotel management (other than hotel room operation), construction, provision of finance (other than interest income from mortgage loans as well as interest income from property development joint ventures which are classified under the "Property development" segment above), investment holding, project management, property management, agency services, security guard and cleaning services, as well as travel and food and beverage operations.

Revenue and pre-tax loss from other businesses for the six months ended 30 June 2025 amounted to HK$1,280 million and HK$30 million respectively, representing:

(a) a decrease in revenue of HK$1,137 million (or 47%) from the revenue contribution of HK$2,417 million for the corresponding six months ended 30 June 2024, and which was mainly attributable to the decrease in revenue contribution of HK$1,142 million from the construction activities carried out by the Group mainly for "The Knightsbridge", being the residential development project of the Group's joint venture at The Kai Tak Development Area which was completed in June 2024;

and

(b) a decrease in pre-tax profit contribution of HK$49 million (or 258%) from the pre-tax profit contribution of HK$19 million for the corresponding six months ended 30 June 2024, and which was mainly attributable to the decrease in pre-tax profit contributions from the Group's project management operation, food and beverage and travel operations, and interest income from loans receivable in the amounts of HK$12 million, HK$11 million and HK$16 million respectively.

Associates

The Group's attributable share of post-tax profits less losses of associates during the six months ended 30 June 2025 amounted to HK$1,280 million (2024: HK$1,322 million), representing a decrease of HK$42 million (or 3%) from that for the corresponding six months ended 30 June 2024. Excluding the Group's attributable share of changes in fair value of investment properties held by the associates (net of deferred taxation) during the two periods, the Group's attributable share of the underlying post-tax profits less losses of associates for the six months ended 30 June 2025 amounted to HK$1,387 million (2024: HK$1,409 million), representing a decrease of HK$22 million (or 2%) from that for the corresponding six months ended 30 June 2024. Such period-on-period decrease in the underlying post-tax profits during the six months ended 30 June 2025 was mainly attributable to the period-on-period decrease of HK$32 million in the Group's attributable share of post-tax underlying profit contribution from The Hong Kong and China Gas Company Limited (a listed associate of the Group).

Joint ventures

The Group’s attributable share of post-tax profits less losses of joint ventures during the six months ended 30 June 2025 amounted to HK$338 million (2024: HK$156 million), representing an increase of HK$182 million (or 117%) over and above that for the corresponding six months ended 30 June 2024. Excluding the Group’s attributable share of changes in fair value of investment properties held by the joint ventures (net of deferred taxation) during the two periods, the Group’s attributable share of the underlying post-tax profits less losses of joint ventures for the six months ended 30 June 2025 amounted to HK$155 million (2024: HK$224 million), representing a decrease of HK$69 million (or 31%) from that for the corresponding six months ended 30 June 2024. Such period-on-period decrease in the underlying post-tax profits during the six months ended 30 June 2025 was mainly due to (i) the net aggregate period-on-period decrease of HK$30 million in the Group’s attributable share of post-tax profit contribution from property sales of the joint ventures in Hong Kong; (ii) the net aggregate period-on-period decrease of HK$19 million in the Group’s attributable share of post-tax profit contribution from property sales of the joint ventures in mainland China; and (iii) the period-on-period decrease of HK$20 million in the Group’s attributable share of bank interest income from the joint venture project company of “La Botanica” in Xian, mainland China.

Finance costs

Finance costs (comprising interest expense and other borrowing costs) before interest capitalisation for the six months ended 30 June 2025 amounted to HK$2,833 million (2024: HK$3,433 million). Finance costs after interest capitalisation for the six months ended 30 June 2025 amounted to HK$1,205 million (2024: HK$820 million), and after set-off against the Group’s bank interest income of HK$272 million for the six months ended 30 June 2025 (2024: HK$241 million), the Group recognised net finance costs in the Group’s consolidated statement of profit or loss for the six months ended 30 June 2025 in the amount of HK$933 million (2024: HK$579 million).

The Group’s overall effective borrowing rate for the six months ended 30 June 2025 was approximately 3.67% per annum (2024 : approximately 4.50% per annum).

Revaluation of investment properties and investment properties under development

The Group recognised a decrease in fair value on its investment properties and investment properties under development (before deferred taxation and non-controlling interests) of HK$427 million in the consolidated statement of profit or loss for the six months ended 30 June 2025 (2024: a decrease in fair value of HK$146 million).

Financial resources and liquidity

Medium Term Note Programme

At 30 June 2025, the aggregate carrying amount of notes guaranteed by the Company and issued under the Group’s Medium Term Note Programme established on 30 August 2011 (“MTN Programme”) and under which the Company had on 6 May 2022 increased the maximum aggregate principal amount of notes outstanding at any one time from US$5,000 million to US$7,000 million, was HK$10,512 million (31 December 2024: HK$19,609 million) with tenures of between two years and twenty years (31 December 2024: between two years and twenty years).

During the six months ended 30 June 2025, the Group issued two guaranteed notes under the MTN Programme denominated in HKD in the aggregate amount of HK$400 million (2024: a guaranteed note denominated in HKD in the amount of HK$300 million) with tenures of two years and three years (2024: tenure of two years). Such guaranteed notes issued by the Group serve to finance the Group's capital expenditure requirements as referred to in the paragraph headed "Capital commitments" below. These notes are included in the Group's bank and other borrowings at 30 June 2025 and 31 December 2024 as referred to in the paragraph headed "Maturity profile and interest cover" below. During the six months ended 30 June 2025, the Group repaid certain guaranteed notes in the aggregate equivalent principal amount of HK$9,619 million (2024: HK$4,468 million) under the MTN Programme.

Maturity profile and interest cover

The maturity profile of the total debt, the cash and bank balances, the net debt and the gearing ratio of the Group were as follows:

	At 30 June 2025 HK$ million	At 31 December 2024 HK$ million
Bank and other borrowings repayable:		
- Within 1 year	**11,364**	17,586
- After 1 year but within 2 years	**14,456**	20,081
- After 2 years but within 5 years	**38,382**	22,824
- After 5 years	**16,274**	21,745
Amounts due to related companies	**3,539**	3,672
Total debt	**84,015**	85,908
Less:		
Cash and bank balances	**(16,600)**	(17,919)
Net debt	**67,415**	67,989
Shareholders' funds	**320,138**	322,147
Gearing ratio (%)	**21.1%**	21.1%

Gearing ratio is calculated based on the net debt and shareholders' funds of the Group at the end of the reporting period.

At 30 June 2025, the Group's total debt comprised (i) bank and other borrowings in Hong Kong, being bank loans of HK$67,056 million (31 December 2024: HK$59,824 million) and guaranteed notes of HK$10,512 million (31 December 2024: HK$19,609 million); (ii) bank borrowings in mainland China of HK$2,908 million (31 December 2024: HK$2,803 million); and (iii) amounts due to related companies of HK$3,539 million (31 December 2024: HK$3,672 million), which in aggregate amounted to HK$84,015 million (31 December 2024: HK$85,908 million). The bank and other borrowings in Hong Kong are unsecured and have a weighted average debt maturity profile of approximately 3.57 years (31 December 2024: approximately 3.36 years). The bank borrowings in mainland China are unsecured and have a weighted average debt maturity profile of approximately 2.91 years (31 December 2024 (restated to conform with the current period's calculation basis): approximately 3.17 years). The amounts due to related companies are unsecured and have a weighted average debt maturity profile of approximately three years (31 December 2024: approximately three years).

In addition, at 30 June 2025, there was an amount due from the Group to a fellow subsidiary (being a wholly-owned subsidiary of the ultimate controlling party of the Group) of HK$73,923 million (31 December 2024: HK$66,215 million) which is unsecured, interest-bearing and had no fixed repayment terms.

At 30 June 2025, after taking into account the effect of swap contracts, 32% (31 December 2024: 37%) of the Group's total debt carried fixed interest rates.

The interest cover of the Group is calculated as follows:

	Six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
Profit from operations (including the cumulative fair value change (net of tax) of investment properties disposed of during the period, but before changes in fair value of investment properties and investment properties under development for the period) plus the Group's share of the underlying profits less losses of associates and joint ventures ("Underlying Operating Profit")	**3,854**	6,598
Net interest expense (before interest capitalisation)	**2,473**	3,096
Interest cover (times)	**1.56**	2.13

The period-on-period decrease in the Underlying Operating Profit for the six months ended 30 June 2025 is mainly due to (i) the non-recurrence during the period of the gain on transfer of the Group's entire interest in and shareholder's loan to a wholly-owned subsidiary which owns "Harbour East" (being a former investment property of the Group in Hong Kong) attributable to underlying profit in the amount of HK$1,407 million during the corresponding six months ended 30 June 2024; and (ii) the decrease of the pre-tax gain attributable to underlying profit arising from the land resumption by the HKSAR Government of the Group's leasehold land held for development for sale from HK$1,096 million during the corresponding six months ended 30 June 2024 to HK$240 million during the six months ended 30 June 2025.

With abundant banking facilities in place and the recurrent income generated from its operations, the Group has adequate financial resources in meeting the funding requirements for its ongoing operations as well as its future expansion.

Treasury and financial management

The Group is exposed to interest rate and foreign exchange risks. To efficiently and effectively manage these risks, the Group's financing and treasury activities are centrally co-ordinated at the corporate level. As a matter of policy, all transactions in derivative financial instruments are undertaken solely for risk management purposes and no derivative financial instruments were held by the Group at the end of the reporting period for speculative purposes.

The Group conducts its business primarily in Hong Kong with the related cash flows, assets and liabilities being denominated mainly in Hong Kong dollars. The Group's primary foreign exchange exposure at 30 June 2025 arose from its property developments and investments in mainland China which were denominated in RMB, the guaranteed notes ("Notes") which were denominated in United States dollars, RMB and Japanese Yen (“¥”) and the bank borrowings which were denominated in ¥ and RMB at 30 June 2025.

In respect of the Group’s operations in mainland China, apart from its capital contributions and, in some cases, loan contributions to projects which are denominated in RMB and are not hedged, the Group endeavours to establish a natural hedge by maintaining an appropriate level of external borrowings in RMB. In respect of the Notes and bank borrowings in Hong Kong at each of 30 June 2025 and 31 December 2024, hedging arrangements had been made by the Group with certain counterparty banks which comprised (i) interest rate swap contracts; (ii) cross currency swap contracts; (iii) cross currency interest rate swap contracts; and (iv) foreign exchange forward contracts to hedge against interest rate risk and foreign currency risk during their tenure. Based on the abovementioned swap and forward contracts, the aggregate amount of the Notes and bank borrowings in Hong Kong which were hedged against the interest rate risk only, the foreign currency risk only and both the interest rate risk and foreign currency risk, was HK$16,018 million at 30 June 2025 (31 December 2024: HK$21,775 million) which represented 19% of the Group’s total debt at 30 June 2025 (31 December 2024: 25%).

Material acquisitions and disposals

Save as disclosed in the paragraph headed “Termination during the six months ended 30 June 2025 of a transaction contemplated under a non-adjusting event of the Group after 31 December 2024” below which has no material financial impact on the Group, there were no material acquisitions and disposals during the period under review.

Termination during the six months ended 30 June 2025 of a transaction contemplated under a non-adjusting event of the Group after 31 December 2024

Reference is made to a conditional agreement dated 15 January 2025 (“Agreement”) which was entered into between a wholly-owned subsidiary of the Group (as the Vendor) together with the Company as the Vendor’s guarantor and a wholly-owned subsidiary of Miramar (as the Purchaser) pursuant to which the Purchaser has agreed conditionally to acquire from the Vendor the entire issued share capital and the shareholder’s loan of the Vendor’s wholly-owned subsidiary who, through its indirect wholly-owned subsidiary (the “Subsidiary”), owns a land lot and the property erected thereon known as “Champagne Court (香檳大廈)” (the “Property”) at No. 16 Kimberley Road, Kowloon, Hong Kong, for a total consideration of HK$3,120 million (subject to adjustments). The transaction contemplated under the Agreement was conditional upon (i) the approval of the transaction by Miramar’s independent shareholders; and (ii) the Purchaser being satisfied with the Subsidiary’s good title to the Property.

At the extraordinary general meeting of Miramar held on 31 March 2025, the ordinary resolution in relation to the transaction contemplated under the Agreement was not passed by Miramar’s independent shareholders. Accordingly, the Agreement was terminated and had no further effect and force. The Group will continue the initiatives to demolish the existing building erected on the Property and redevelop the Property into a new hotel based on the approved general building plans.

Resumption of certain land lots by the HKSAR Government during the six months ended 30 June 2025 and the corresponding six months ended 30 June 2024

During the six months ended 30 June 2025, the Group recognised resumption proceeds of HK$353 million from the HKSAR Government in relation to the Group's leasehold land held for development for sale measuring about 330,000 square feet held in Yuen Long South and Kam Tin, the New Territories, Hong Kong, resulting in the Group's recognition of a pre-tax gain on land resumption attributable to both reported profit and underlying profit in the amount of HK$240 million for the six months ended 30 June 2025.

During the corresponding six months ended 30 June 2024, there were resumptions by the HKSAR Government of the Group's leasehold land held for development for sale measuring approximately 1.45 million square feet held by the Group's subsidiaries in Fanling North and Kwu Tung North New Development Areas, the New Territories, Hong Kong, which the Group had accepted in April 2024 at an aggregate cash compensation of approximately HK$1,860 million, resulting in the Group's recognition of a pre-tax gain on land resumption attributable to underlying profit in the amount of HK$1,096 million for the corresponding six months ended 30 June 2024.

Charge on assets

The assets of the Group's subsidiaries were not charged to any party at 30 June 2025 and 31 December 2024.

Capital commitments

At 30 June 2025, capital commitments of the Group amounted to HK$16,957 million (31 December 2024: HK$19,030 million). In addition, the Group's attributable share of capital commitments undertaken by joint ventures and certain associates at 30 June 2025 amounted to HK$3,993 million (31 December 2024: HK$5,666 million).

Contingent liabilities

At 30 June 2025, the Group's contingent liabilities amounted to HK$12,835 million (31 December 2024: HK$14,635 million), which mainly included:-

(i) an aggregate attributable amount of HK$239 million (31 December 2024: HK$245 million) relating to performance bonds, guarantees and undertakings for the due and proper performance of the obligations of the Group's projects held by subsidiaries and joint ventures;

(ii) an amount of HK$2,523 million (31 December 2024: HK$2,647 million) relating to guarantees given by the Group to financial institutions on behalf of purchasers of property units of the Group's development projects in mainland China in relation to which the related Building Ownership Certificate (房產證) had not yet been issued at 30 June 2025 (and such guarantees will be released upon the issuance of the Building Ownership Certificate);

(iii) amounts of Nil (31 December 2024: HK$1,670 million), HK$2,100 million (31 December 2024: HK$2,100 million), HK$1,314 million (31 December 2024: HK$1,314 million) and HK$2,940 million (31 December 2024: HK$2,940 million) relating to the Group's attributable and proportional shares (in accordance with the Group's attributable interests in four joint ventures engaged in the development of residential properties at The Kai Tak Development Area, and in which the Group has 29.3% interest, 30% interest, 18% interest and 30% interest respectively) of contingent liabilities in respect of irrevocable, unconditional and several guarantees given by the Group to certain lending banks in relation to the maximum amounts which may be drawn down on certain loan facilities which were entered into on 8 July 2019 (and which had expired on 28 February 2025 following the full repayment of the loan by the shareholders of the joint venture (including the Group)), 4 December 2019, 1 June 2020 and 30 October 2020 respectively between such lending banks and the four joint ventures; and

(iv) an amount of up to HK$3,278 million (31 December 2024: up to HK$3,278 million) relating to the Group's attributable and proportional share (in accordance with the Group's attributable interest in a joint venture engaged in the development of a site owned by the Urban Renewal Authority at Bailey Street/Wing Kwong Street, To Kwa Wan, Kowloon, Hong Kong and in which the Group has 50% equity interest (the "Developer")) of contingent liabilities in respect of an irrevocable, unconditional and several guarantee given by the Group to two lending banks in relation to 50% of the maximum amount which may be drawn down by the Developer on a loan facility of up to HK$6,556 million which was entered into on 29 December 2023 between such lending banks and the Developer (and part of such proceeds refinanced the previous loan pursuant to the loan facility agreement dated 25 July 2022 of up to HK$3,276 million entered into between a lending bank and the Developer and which matured on 28 January 2024).

Employees and remuneration policy

At 30 June 2025, the Group had 9,997 (31 December 2024: 9,970) full-time employees. The remuneration of the employees is in line with the market and commensurate with the level of pay in the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. Other benefits to the employees include medical insurance, retirement scheme, training programmes and education subsidies.

Total staff costs for the six months ended 30 June 2025 amounted to HK$1,594 million (2024: HK$1,533 million), representing a period-on-period increase of 4%.

OTHER INFORMATION

Review of Interim Results

The unaudited interim results for the six months ended 30 June 2025 have been reviewed by the auditor of the Company, KPMG in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants.

Purchase, Sale or Redemption of the Company's Listed Securities

During the period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Audit Committee

The Audit Committee met in August 2025 and reviewed the systems of internal control, risk management and compliance, and the interim report for the six months ended 30 June 2025.

Corporate Governance

During the six months ended 30 June 2025, the Company complied with the applicable code provisions set out in the Corporate Governance Code (the "CG Code") as stated in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), with the exception that the roles of the chairman and the chief executive officer of the Company have not been segregated as required by the CG Code. The Company is of the view that it is in the best interest of the Company that each of Dr Lee Ka Kit and Dr Lee Ka Shing, with his relevant in-depth expertise and knowledge in the Group's business, acts in the dual capacity as Chairman and Managing Director of the Company. Although the roles of the chairman and the chief executive officer of the Company have not been segregated, powers and authorities have not been over-concentrated as all major decisions are made in consultation with Board members as well as appropriate Board committees and senior management, who possess the relevant knowledge and expertise. Hence, the current arrangements are subject to adequate checks and balances notwithstanding the deviation.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors (the "Model Code"). Having made specific enquiry, the Company confirmed that all Directors have complied with the required standards as set out in the Model Code.

Forward-Looking Statements

This announcement contains certain statements that are forward looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of Directors of the Company regarding the industry and markets in which it operates. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

On behalf of the Board

Dr Lee Ka Kit	**Dr Lee Ka Shing**
Chairman	*Chairman*

Hong Kong, 20 August 2025

As at the date of this announcement, the Board comprises: (1) executive directors: Lee Ka Kit (Chairman and Managing Director), Lee Ka Shing (Chairman and Managing Director), Lam Ko Yin, Colin (Vice Chairman), Yip Ying Chee, John, Fung Lee Woon King, Kwok Ping Ho, Suen Kwok Lam, Wong Ho Ming, Augustine and Fung Hau Chung, Andrew; (2) non-executive director: Lee Pui Ling, Angelina; and (3) independent non-executive directors: Kwong Che Keung, Gordon, Ko Ping Keung, Wu King Cheong, Woo Ka Biu, Jackson, Poon Chung Kwong and Au Siu Kee, Alexander.