

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



恒隆地產有限公司

HANG LUNG PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00101)

2025 ANNUAL RESULTS

CONTENTS

	Page
Financial Highlights	1
Review of Operations	2
Consolidated Financial Statements	27
Notes to the Consolidated Financial Statements	30
Other Information	41
Glossary	43

FINANCIAL HIGHLIGHTS

RESULTS

	2025 (HK\$ Million)				2024 (HK\$ Million)			
	Property Leasing	Property Hotels	Property Sales	Property Total	Property Leasing	Property Hotels	Property Sales	Property Total
Revenue	9,389	297	264	9,950	9,515	189	1,538	11,242
- Chinese Mainland	6,414	297	59	6,770	6,466	189	56	6,711
- Hong Kong	2,975	-	205	3,180	3,049	-	1,482	4,531
Operating profit/(loss)	6,663	(34)	(102)	6,527	6,763	(63)	(245)	6,455
- Chinese Mainland	4,355	(34)	(51)	4,270	4,385	(63)	(197)	4,125
- Hong Kong	2,308	-	(51)	2,257	2,378	-	(48)	2,330
Underlying net profit/(loss) attributable to shareholders	3,358	(80)	(76)	3,202	3,455	(96)	(264)	3,095
Net decrease in fair value of properties attributable to shareholders	(1,396)	-	-	(1,396)	(942)	-	-	(942)
Net profit/(loss) attributable to shareholders	1,962	(80)	(76)	1,806	2,513	(96)	(264)	2,153
	At December 31, 2025				At December 31, 2024			
Shareholders' equity (HK\$ Million)	134,729				131,587			
Net assets attributable to shareholders per share (HK\$)	\$26.6				\$27.5			
Earnings and Dividends (HK\$)								
	2025				2024			
Earnings per share								
- Based on underlying net profit attributable to shareholders	\$0.65				\$0.67			
- Based on net profit attributable to shareholders	\$0.37				\$0.46			
Dividends per share	\$0.52				\$0.52			
- Interim	\$0.12				\$0.12			
- Final	\$0.40				\$0.40			
Financial Ratios								
	2025				2024			
Payout ratio (based on net profit attributable to shareholders)								
- Total	145%				115%			
- Property leasing and Hotels	139%				103%			
- Property leasing and Hotels (after deducting amount of interest capitalized)	224%				161%			
Payout ratio (based on underlying net profit attributable to shareholders)								
- Total	82%				80%			
- Property leasing and Hotels	80%				74%			
- Property leasing and Hotels (after deducting amount of interest capitalized)	102%				100%			
	At December 31, 2025				At December 31, 2024			
Net debt to equity ratio	32.7%				33.4%			
Debt to equity ratio	37.1%				40.7%			

REVIEW OF OPERATIONS

RESULTS HIGHLIGHTS

The operating landscape for the real estate industry in 2025 reflected cautious economic sentiment in the Chinese Mainland and changing consumer behavior in Hong Kong. Nevertheless, market conditions improved compared with the previous year, particularly in the second half of 2025. Hang Lung Properties Limited (the “Company”) and its subsidiaries (collectively known as “Hang Lung Properties”) upheld strong fundamentals in both occupancy and operational execution, which helped mitigate the impact of market headwinds. Occupancy rates maintained healthy levels across Hong Kong and the Mainland, supported by the continuous refinement of our tenant mix. Core property leasing revenue remained resilient with positive indicators of growth evident since May, mainly driven by properties in Shanghai, Wuxi, Dalian and Kunming.

In the Chinese Mainland, while weakened consumer sentiment impacted sales rents, our malls delivered consistent performance, achieving stable revenue and maintaining occupancy above 95% in most locations.

In Hong Kong, proactive measures and multi-faceted steps to retain tenants helped drive steady growth in occupancy rate in our retail and office portfolio, sustaining rates of 95% and 90%, respectively, at the end of the year. The residential and serviced apartments segment benefited from the government’s talent admission regime, with occupancy and revenue increasing three points and 6% year-on-year, respectively.

In 2025, Hang Lung Properties recorded total revenue of HK\$9,950 million (2024: HK\$11,242 million). Overall operating profit was HK\$6,527 million (2024: HK\$6,455 million). Revenue and operating profit from property leasing amounted to HK\$9,389 million (2024: HK\$9,515 million) and HK\$6,663 million (2024: HK\$6,763 million), respectively. Hotel revenue totaled HK\$297 million (2024: HK\$189 million), while property sales revenue reached HK\$264 million (2024: HK\$1,538 million).

In celebration of Hang Lung’s 65th anniversary, a series of nationwide events and marketing campaigns attracted substantial foot traffic and heightened customer engagement throughout the year—a testament to our customer-centric approach and the enduring appeal of our vibrant, compelling spaces.

The Company has remained committed to investments that underpin our long-term development objectives. With the launch of Hang Lung V.3—focusing on expansion in core cities, elevating customer experience, and capital-efficient, highly selective reinvestments that enhance scale, visibility, and accessibility—new projects under this strategy were launched or announced during the year. These included Shangyi Street at Spring City 66 in Kunming, the Westlake 66 Expansion Project* in Hangzhou, the Center 66 Expansion Project* in Wuxi, and the No. 1038 West Nanjing Road Commercial Project* in Shanghai. Benefiting from our Hang Lung V.2 strategy, which focused on developing in core business districts in the Mainland, each V.3 project is designed to amplify the success of our existing assets while minimizing capital requirements and aligning government policies. Other projects under development* include Phase Two of Center 66 in Wuxi, Westlake 66 in Hangzhou, Plaza 66 Pavilion Extension in Shanghai, and the remaining mixed-use development of Forum 66 in Shenyang.

** See details of these projects in the “Property Development” section*

CONSOLIDATED RESULTS

For the year ended December 31, 2025, Hang Lung Properties recorded total revenue of HK\$9,950 million, representing a 11% decrease against last year, primarily due to an 83% decline in property sales, which amounted to HK\$264 million. Overall operating profit increased 1% to HK\$6,527 million. Revenue and operating profit from property leasing both dropped 1% to HK\$9,389 million and HK\$6,663 million, respectively, primarily attributable to the persistently weak office leasing market in the Chinese Mainland and slower-than-expected economic recovery in Hong Kong. Due to the expansion of our hotel portfolio, corresponding revenue rose 57% to HK\$297 million, while the operating loss after depreciation improved 46% to HK\$34 million.

Underlying net profit attributable to shareholders increased 3% to HK\$3,202 million. Reduced losses from property sales more than fully offset the decline in operating profits from property leasing and the increase in finance costs arising from lower interest capitalization. The underlying earnings per share was HK\$0.65.

Hang Lung Properties reported a net profit attributable to shareholders of HK\$1,806 million (2024: HK\$2,153 million) when including a net revaluation loss on properties attributable to shareholders of HK\$1,396 million (2024: HK\$942 million). The corresponding earnings per share was HK\$0.37 (2024: HK\$0.46).

Revenue and Operating Profit

	Revenue			Operating Profit/(Loss)		
	2025	2024	Change	2025	2024	Change
	HK\$ Million	HK\$ Million		HK\$ Million	HK\$ Million	
Property Leasing	9,389	9,515	-1%	6,663	6,763	-1%
Chinese Mainland	6,414	6,466	-1%	4,355	4,385	-1%
Hong Kong	2,975	3,049	-2%	2,308	2,378	-3%
Hotels (Chinese Mainland)	297	189	57%	(34)	(63)	46%
Property Sales	264	1,538	-83%	(102)	(245)	58%
Chinese Mainland	59	56	5%	(51)	(197)	74%
Hong Kong	205	1,482	-86%	(51)	(48)	-6%
Total	9,950	11,242	-11%	6,527	6,455	1%

DIVIDEND

The board of directors (the “Board”) of the Company has recommended a final dividend of HK40 cents per share for 2025 (2024: HK40 cents) to shareholders whose names are listed on the register of members of the Company on May 8, 2026. Together with an interim dividend of HK12 cents per share (2024: HK12 cents), the full-year dividends for 2025 amounted to HK52 cents per share (2024: HK52 cents).

The Board proposes that eligible shareholders be given the option to receive the final dividend either in cash, or as new shares in lieu of cash for part or all of the dividend (the “Scrip Dividend Arrangement”). The Scrip Dividend Arrangement is conditional upon: (1) the approval of the proposed final dividend at the Annual General Meeting to be held on April 30, 2026; and (2) The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares to be issued pursuant to the Scrip Dividend Arrangement.

A circular containing details of the Scrip Dividend Arrangement and the form of election for scrip dividend is expected to be despatched to the eligible shareholders on or about May 18, 2026. It is expected that the final dividend warrants and the share certificates to be issued under the Scrip Dividend Arrangement will be despatched to shareholders on or about June 15, 2026.

PROPERTY LEASING

For the year ended December 31, 2025, overall rental revenue retreated 1% to HK\$9,389 million. Rental revenue of our Mainland portfolio stayed flat in Renminbi (RMB) terms but dropped 1% in HKD terms after considering the RMB depreciation against last year. The Hong Kong portfolio recorded a 2% decline in rental revenue.

In the Chinese Mainland, the quarter-over-quarter improvements in the consumption environment signaled a bottoming out. Although consumer behavior remained cautious amid economic challenges, new retail formats and experience as well as marketing initiatives continued to stimulate demand. To meet increasingly diverse and personalized consumer needs, we are recalibrating strategies and focusing on customer engagement and exclusive experiences to target discerning, value-conscious consumers. More distinctive retail spaces were created to capture this evolving trend. These initiatives are injecting renewed vitality into our mall portfolio. Additionally, we launched a series of nationwide events and marketing campaigns, along with offerings and promotions via HOUSE 66—our customer relationship management (CRM) program—throughout the year to commemorate Hang Lung’s 65th anniversary and strengthen our relationship with a wide spectrum of customers. With all these efforts, overall rental revenue from our mall portfolio grew 1% while tenant sales climbed 4% year-on-year in RMB terms. Overall occupancy level at the end of the year edged up two points to 96% with ongoing strategic tenant mix refinement.

The office leasing market has seen rising vacancies and falling rents because of oversupply and subdued demand in major cities such as Shanghai. Leasing activities have been dominated by tenants downsizing and relocating to lower priced options as part of cost-cutting measures. In addition to raising rental incentives and maintaining our top property management service standards, we differentiated our offerings by incorporating features such as vibrant social interaction areas, flexible workspaces, green design elements, tenant partnership program and smart technology to retain high-quality, ESG-conscious tenants. During the year under review, the revenue of our office portfolio declined 8% in RMB terms when compared to the previous year. Overall occupancy dropped four points to 79% at the end of the year.

In Hong Kong, the influx of tourists driven by the government’s mega-event economy and the recent rise in the stock market moderately boosted consumer sentiment and spurred discretionary spending. However, global economic uncertainties and rising local unemployment rates have caused both locals and visitors to spend more conservatively. As a result, overall rental revenue in our retail portfolio retreated 4% while tenant sales remained stable. We were able to maintain

a high level of occupancy by strategically optimizing the tenant mix and rolling out targeted promotional campaigns through our “hello Hang Lung Malls Rewards Program”. In the office sector, the resurgence of the Hong Kong IPO market boosted demand, notably from financial and professional services firms. However, the high availability and ample new supply pipeline drove a downward trend in office rentals, and our office segment saw a 1% decrease in revenue this year as a result. Nevertheless, our proactive tenant retention strategies have helped maintain a stable occupancy level of 90% at the end of the year, compared to 88% a year earlier.

Chinese Mainland¹

Property Leasing – Chinese Mainland Portfolio

	Revenue (RMB Million)		
	2025	2024	Change
Malls	4,871	4,805	1%
Offices	1,005	1,095	-8%
Serviced Apartments	2	-	N/A
Total	5,878	5,900	-
<i>Total in HK\$ Million equivalent</i>	6,414	6,466	-1%

Overall rental revenue and operating profit stayed flat for the year. Our strategic efforts and improving consumer confidence in the Chinese Mainland helped our malls sustain high occupancy rates and stable revenue. On the other hand, our premium office portfolio saw an 8% fall in revenue, mainly because of excess supply and soft demand for office space in highly competitive markets, especially in top-tier cities such as Shanghai.

● *Malls*

Total revenue of our mall portfolio rose 1% in 2025, with gains for most malls offset by declines at Riverside 66 in Tianjin, Heartland 66 in Wuhan and Forum 66 in Shenyang due to strong regional competition. Chinese consumers are showing a growing preference for products and services that enhance personal enjoyment and identity, while the health, fitness and wellness segments are also supporting growth. We also created unique in-store experiences, exclusive events, and personalized services to deepen customer loyalty and engagement.

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

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

Property Leasing – Chinese Mainland Mall Portfolio

Name of Mall and City	Revenue (RMB Million)			Year-End Occupancy Rate	
	2025	2024	Change	2025	2024
Plaza 66, Shanghai	1,661	1,648	1%	96%	99%
Grand Gateway 66, Shanghai	1,197	1,172	2%	100%	99%
Center 66, Wuxi	502	456	10%	100%	99%
Olympia 66, Dalian	331	295	12%	95%	94%
Spring City 66, Kunming	328	300	9%	99%	98%
Parc 66, Jinan	323	317	2%	97%	93%
Palace 66, Shenyang	172	163	6%	98%	94%
Riverside 66, Tianjin	165	170	-3%	94%	95%
Heartland 66, Wuhan	140	203	-31%	90%	85%
Forum 66, Shenyang	52	81	-36%	89%	87%
Total	4,871	4,805	1%		

Our flagship **Plaza 66** mall in Shanghai concluded the year with a robust occupancy rate of 96%, despite the temporary impact from the Pavilion Extension. Revenue and tenant sales rose 1% and 4%, respectively, bolstered by sustained demand for high-end luxury offerings despite evolving consumer spending behaviors. Throughout 2025, the mall played a pivotal role in commemorating the Company’s 65th anniversary, featuring collaborations with notable brands and artists—such as ButterBear, Jellycat and Takashi Murakami’s Ohana Hatake—which enriched the mall’s appeal through visually engaging installations and immersive guest experiences. Our annual signature event, the “HOME TO LUXURY” party, held in November, boosted tenant sales successfully and further reinforced high-end customer loyalty. Targeted marketing initiatives contributed to deeper customer engagement, attracted new HOUSE 66 CRM members, and solidified Plaza 66’s market leadership in Shanghai and across the Mainland.

Also in Shanghai, revenue and tenant sales of the **Grand Gateway 66** mall grew 2% and 20%, respectively, driven by new flagship stores and effective marketing strategies which diversified the trade mix and attracted substantial foot traffic. Noteworthy marketing initiatives, including the interactive ButterBear showcase and the anniversary event “Gateway to Inspiration”, generated

significant media buzz, resulting in increased footfall and enhanced customer engagement. At the end of the year, the mall was fully occupied.

The **Center 66** mall in Wuxi recorded revenue growth of 10%, primarily driven by favorable rental reversions. Tenant sales rose 3% as a mild decline in high-end retail sales was counterbalanced by stronger performance in the food and beverage and lifestyle sectors. The mall actively engaged in the nationwide “Wiggle We Go” campaign in April, offering interactive activities for families and young people. The well-received “Take Center Stage” anniversary event in September significantly boosted foot traffic and received considerable media attention. The positive momentum generated by this event also benefited the performance during the National Day Golden Week. As a result, the mall was fully occupied at the end of the year.

Olympia 66, the prominent luxury landmark in Dalian, delivered a notable performance over the past year, realizing a 12% increase in revenue and a 14% rise in tenant sales. This sustained growth was driven by ongoing enhancements to the brand and trade mix across various categories and floors. Throughout the year, several promotional initiatives—including the “Wiggle We Go” campaign in partnership with other Hang Lung malls as part of the Company’s 65th anniversary celebrations, as well as the mall’s own “Shining Olympia” anniversary event—were well received and generated high foot traffic. Occupancy rate grew one point to 95% at the end of the year.

The **Spring City 66** mall in Kunming achieved revenue growth of 9% and an increase of 7% in tenant sales during the year. The mall maintained a strong occupancy rate, reaching 99% by the end of the year. Strategic efforts to enhance the appeal of the surrounding area included revitalizing Shangyi Street as an open-air extension of the Spring City 66 mall, transforming it into a cultural, leisure, and lifestyle destination with a strong lineup of first-to-market restaurants and stores. These initiatives have transformed the precinct into a lively destination for the community, successfully driving footfall and attracting significant media interest, reinforcing the mall’s position as a leading retail and lifestyle hub in Southwestern China.

Revenue and tenant sales of **Parc 66** in Jinan rose 2% and 6%, respectively. The Asset Enhancement Initiative (AEI) was fully completed in January 2025, resulting in improved customer flow and a broadened mix of brands, including first-in-town and exclusive concepts. These enhancements have strengthened the mall’s appeal, supporting sustainable profitability for the long term. Occupancy rate increased four points to 97% at the end of the year.

Revenue and tenant sales of **Palace 66** in Shenyang increased 6% and 17%, respectively. Our renovated food court, along with the addition of diverse new food and beverage concepts, attracted a wider range of customers and increased foot traffic. The marketing efforts and partnerships with tenants, including culinary promotions and live sports and music events, generated media coverage and elevated customer engagement, particularly among younger people. Occupancy rate rose four points to 98% at the end of the year.

Riverside 66 in Tianjin recorded a decline in revenue of 3% while tenant sales increased 2%. Targeted promotional strategies were implemented to stay competitive in the evolving retail landscape. We utilized IP-brand partnerships such as the nationwide “Wiggle We Go” campaign, immersive pop-culture activations, and social media-driven content to amplify marketing reach. Collaborations with popular brands and community organizations helped to integrate the mall into Tianjin’s cultural and commercial scene. Occupancy rate dropped one point to 94% at the end of the year.

Revenue and tenant sales at the **Heartland 66** mall in Wuhan declined 31% and 23%, respectively. The mall implemented a tenant mix optimization strategy, such as the launch of a gourmet alley and the introduction of experiential and athleisure retailers. Throughout the year, a range of targeted marketing initiatives, including the signature event “Glittering Heartland” attended by celebrities, the Central China debut of the popular ButterBear’s Autumn Baking Workshop and Meet & Greet, and the Doraemon Exhibition, coupled with festive installations and limited-edition merchandise—boosted footfall and tenant sales. Despite intense promotional activity from competitors across the city, Heartland 66 achieved notable results during the National Day Golden Week. We will remain nimble in implementing and adjusting our marketing efforts to align with evolving retail trends in Wuhan, while maintaining competitiveness amid robust local promotions. At the end of the year, occupancy rate grew five points to 90%.

Revenue and tenant sales at the **Forum 66** mall in Shenyang declined 36% and 54%, respectively. Occupancy rate increased two points to 89% at the end of the year. The mall is under a strategic transition, with a focus on enhancing its contemporary lifestyle and food and beverage offerings to improve customer flow and overall shopping experience.

● *Offices*

The Mainland office leasing market in 2025 remained subdued in the face of ongoing economic uncertainties and excessive supply. Total revenue dropped 8% year-on-year to RMB1,005 million, primarily as a result of lower occupancy rates and negative rental reversions. The

premium Grade A office towers at Plaza 66 in Shanghai accounted for 76% of the overall revenue reduction, reflecting the city's broader market trends, with tenants pursuing cost-driven relocations amid declining rents and abundant supply. Despite these headwinds, management upheld rigorous property service standards and preserved quality in the challenging market environment.

Property Leasing – Chinese Mainland Office Portfolio

Name of Office and City	Revenue (RMB Million)			Year-End Occupancy Rate	
	2025	2024	Change	2025	2024
Plaza 66, Shanghai	538	606	-11%	82%	87%
Spring City 66, Kunming	133	138	-4%	86%	86%
Forum 66, Shenyang	118	123	-4%	86%	90%
Center 66, Wuxi	114	122	-7%	78%	88%
Heartland 66, Wuhan	102	106	-4%	65%	66%
Total	1,005	1,095	-8%		

Our two Grade A office towers at **Plaza 66** in Shanghai experienced an 11% decline in revenue, primarily attributed to a decrease in unit rents amid persistently weak local market conditions and ongoing oversupply. Occupancy rate fell five points to 82% by the end of the year, echoing in market-wide rental and occupancy pressures in Shanghai's Grade A office sector. Despite a strained market environment, we are fully committed to leveraging our prime location and operational excellence to sustain our position as one of Shanghai's most prestigious office addresses.

The office tower at **Spring City 66** in Kunming recorded a 4% decline in revenue, and occupancy remained at 86% at the end of the year. We maintained our market leadership by leveraging our prime location, offering modular offices with high-standard fit-outs and furnishings, and providing outstanding amenities and services.

Revenue of the office tower at **Forum 66** in Shenyang decreased 4% due to weak demand and new office supply. Occupancy rate dropped four points to 86% at the end of the year. Amid these market pressures, we remain focused on driving active tenant engagement and upholding premium property management standards.

For our two office towers at **Center 66** in Wuxi, revenue decreased 7% and occupancy rate dropped ten points to 78% at the end of the year. Despite the competitive market environment, we continue to set the benchmark for premium office space in Wuxi, benefiting from our exclusive

services, self-operated multifunctional workspace, HANGOUT, and upcoming hospitality expansions.

For the office tower at **Heartland 66** in Wuhan, revenue declined 4% and occupancy rate fell one point to 65% at the end of the year. Under challenging market conditions, our self-operated multifunctional workspace, HANGOUT, will continue to offer flexible office layouts to suit a range of tenants, catering to their emerging business needs and fostering collaboration.

Hong Kong

Hong Kong's domestic consumption in 2025 remained subdued, affected by cautious spending among locals and changes in the travel behavior of Mainland visitors. The office market continued to be challenging, but our occupancy held high at 90%, despite rents staying under pressure from new supply and cautious expansion strategies among tenants.

Revenue declined 2% to HK\$2,975 million and operating profits dropped 3% to HK\$2,308 million, but diversified leasing strategies and tenant mix optimization helped maintain stable occupancy and operational resilience. The rental margin stood at 78%.

Property Leasing – Hong Kong Portfolio

	Revenue (HK\$ Million)			Year-End Occupancy Rate	
	2025	2024	Change	2025	2024
Retail	1,742	1,816	-4%	95%	95%
Offices	1,004	1,017	-1%	90%	88%
Residential & Serviced Apartments	229	216	6%	91%	88%
Total	2,975	3,049	-2%		

● *Retail*

Revenue from our Hong Kong retail portfolio declined 4% to HK\$1,742 million. To address weak consumer demand, we further refined our leasing strategy and optimized our tenant mix. At the end of the year, the overall occupancy remained high at 95%.

Amid weakened market sentiment, tenant sales remained stable. To boost consumption, we will continue implementing targeted promotional campaigns under the “hello Hang Lung Malls Rewards Program”.

The revenue from retail properties in the **Central Business and Tourist District Portfolio** decreased 5% as a result of negative rental reversions and lease restructurings that were concluded for some anchor tenants. Occupancy dropped to 94% at the end of the year.

As local residents are demonstrating increased caution in terms of spending, the overall revenue of our **Community Mall Portfolio** decreased 3% year-on-year. Occupancy stayed strong at 96% compared with last year.

- *Offices*

Revenue fell 1% to HK\$1,004 million following negative rental reversions and pressure from declining rental prices caused by oversupply. Proactive measures such as offering fitted offices and subdividing premises to cater to tenant needs were implemented to secure a relatively high occupancy level of 90% at the end of the year.

Despite these headwinds, our **Hong Kong Island Portfolio** revenue remained stable and was accompanied by an increase in occupancy of four points to 87% year-on-year. We launched NET•WORK, a dynamic and flexible office space strategically located within Central's iconic Standard Chartered Bank Building. The market responded favorably to our new product offering, with its occupancy rate reaching 78% at the end of the year.

Revenue of our **Kowloon Portfolio** dropped 4% due to a decline in occupancy by one point to 93%, as semi-retail operators remained cost-conscious and rental corrections persisted.

- *Residential & Serviced Apartments*

Benefiting from the talent admission regime introduced by the Hong Kong government, an expanded customer base and the offering of flexible terms in serviced apartments have led to a 6% year-on-year increase in revenue for our residential and serviced apartments segment.

HOTELS

	Revenue (RMB Million)			Average Occupancy Rate	
	2025	2024	Change	2025	2024
Conrad Shenyang	137	136	1%	74%	72%
Grand Hyatt Kunming #	135	37	265%	65%	44%
Total	272	173	57%		
<i>Total in HK\$ Million equivalent</i>	<i>297</i>	<i>189</i>	<i>57%</i>		

opened in August 2024

Revenue for **Conrad Shenyang** increased 1% year-on-year. Occupancy rate increased two points, in line with domestic travel demand; however, the average daily rate experienced mild pressure during the year, consistent with the overall market trend in Shenyang.

Grand Hyatt Kunming generated revenue of RMB135 million in its first full year of operation. The growth momentum continued in the second half of 2025, with revenue surging nearly 37% compared with the first six months. The exceptional growth was driven by both higher occupancy and the average daily rate.

PROPERTY SALES

During the reporting year, revenue of HK\$264 million (2024: HK\$1,538 million) was recognized for the sale of 24 residential units at The Aperture in Hong Kong, 1 unit at Heartland Residences in Wuhan and 5 units at Grand Hyatt Residences Kunming.

With gross loss from the sale of properties in the Mainland and Hong Kong and their associated selling and marketing expenses, as well as other operating expenditures, an operating loss from property sales of HK\$102 million was recorded in 2025.

In September 2025, we launched the sale for Center Residences in Wuxi—a key element of Center 66's Phase Two development. The project features two high-rise residential towers with a total of over 500 units. The market response has been encouraging. As of December 31, 2025, 53 units had been sold, generating aggregate proceeds of RMB 443 million.

In Hong Kong, the contracted property sales yet to be recognized as of December 31, 2025 amounted to HK\$709 million, comprising the pre-sale of 53 units at The Aperture and one house

at 23-39 Blue Pool Road. Revenue from all contracted units will be recognized upon completion of each respective sale.

DISPOSAL OF INVESTMENT PROPERTIES

We disposed of a duplex unit at Summit at The Peak on Hong Kong Island and two car parking spaces at AquaMarine in Hong Kong. An aggregate gain on disposal of HK\$28 million was recognized under Other Net Income upon completion of these transactions during the year.

In addition, we entered into a sale and purchase agreement with an independent third party to dispose of a subsidiary which owns one house at 23-39 Blue Pool Road in Hong Kong. The transaction is expected to be completed in early 2026.

PROPERTY REVALUATION

As of December 31, 2025, the total value of our investment properties and those under development amounted to HK\$195,256 million, including the Mainland portfolio of HK\$132,935 million and the Hong Kong portfolio of HK\$62,321 million. These properties were appraised by Savills Valuation and Professional Services Limited, an independent valuer, as of December 31, 2025.

A revaluation loss of HK\$1,051 million was recorded (2024: loss of HK\$937 million).

The Mainland portfolio recorded a revaluation loss of HK\$757 million (2024: loss of HK\$587 million), representing less than 1% of the portfolio value as of December 31, 2024.

The Hong Kong portfolio had a revaluation loss of HK\$294 million (2024: loss of HK\$350 million), representing less than 1% of the portfolio value as of December 31, 2024.

A net revaluation loss after tax and non-controlling interests of HK\$1,396 million was reported (2024: net revaluation loss of HK\$942 million).

PROPERTY DEVELOPMENT

As of December 31, 2025, the aggregated values of our projects under development for leasing and sales were HK\$27,359 million and HK\$7,603 million, respectively. These comprised projects in Wuxi, Hangzhou, Shanghai, and Shenyang in the Chinese Mainland, as well as redevelopment projects in Hong Kong.

Chinese Mainland

Center Residences in Wuxi and **Xi Zhe Wuxi, Curio Collection by Hilton**, a lifestyle hotel, form the Phase Two development of Center 66. The residences, currently available for sale, are scheduled for completion in phases from the second half of 2026 onward. The hotel includes a seven-story new-build tower and a three-story heritage building offering a combined total of 105 hotel rooms which is slated to open in the first half of 2026.

Westlake 66 in Hangzhou is an integrated high-end commercial development consisting of a retail podium, five Grade A office towers, and a luxury hotel: **Mandarin Oriental Hangzhou**. The completion certificate was obtained in July 2025. Progressive occupancy of a single-tenant office tower commenced in late November 2025, while the remaining office towers are expected to become operational in phases from 2026 onward. The mall is scheduled to open in the first half of 2026. The hotel, which features 194 premium guestrooms and suites, is expected to open in 2027.

The **Westlake 66 Expansion Project** was confirmed during the year to strengthen the Westlake 66 mall's competitive edge by enhancing its scale, street frontage, accessibility, and visibility. In July 2025, we entered into a lease agreement with the landlord of Hangzhou Department Store, located at 546 Yan'an Road in Hangzhou, adjacent to Westlake 66. The 20-year lease will commence on April 1, 2028. Upon completion of renovation works and phased openings from 2029 onward, the aggregate retail area of the Westlake 66 complex would increase by nearly 40% to 150,000 square meters. In addition to a curated selection of flagship stores, first-in-market concept locations, and exclusive experiential offerings, the project will feature a wide array of food and beverage options, including alfresco dining and a landscaped area.

As part of the ongoing enhancement efforts in Jing'an District, Shanghai, we have initiated the **Plaza 66 Pavilion Extension**. This will feature a commercial area of approximately 3,080 square meters above ground, comprising a three-story podium dedicated to retail and dining activities, as well as a basement level that connects to the existing shopping mall. The project is expected to

be completed in 2026 and aims to offer customers an enriched shopping experience while bolstering the mall's prominence in the city.

The remaining mixed-use development of **Forum 66** in Shenyang, with a site area of 44,000 square meters, is temporarily designated for the development of an urban park to enhance community well-being while monitoring market conditions. This is intended to provide vibrant gathering spaces for families and visitors, energizing the surrounding area and generating foot traffic.

Joint Ventures in Chinese Mainland

On December 9, 2025, we entered into a partnership with Wuxi Liangxi City Development Group Co., Ltd. (無錫市梁溪城市發展集團有限公司)—a state-owned enterprise under the Liangxi District government in Wuxi—to obtain a 20-year operating lease for a landmark commercial redevelopment project adjacent to Center 66 (the “**Center 66 Expansion Project**”). The property, formerly known as the Wuxi New World Department Store, is located at 319–339, 341 Zhongshan Road, Wuxi. The redevelopment will increase the total retail area of the Center 66 complex by 38% to approximately 169,000 square meters. Featuring experiential retail concepts, enhanced community engagement, and seamless integration with Center 66, the upgraded complex will introduce over 80 curated brands across dining, fashion, and lifestyle categories. Hang Lung Properties holds 60% interest in the project.

On December 12, 2025, we successfully secured the **No. 1038 West Nanjing Road Commercial Project**—formerly Westgate Mall—by partnering with Shanghai Join Buy Group Co., Ltd. (上海九百(集團)有限公司), a state-owned enterprise under the Jing'an District government in Shanghai, and its affiliated company. The 20-year lease project will add approximately 96,000 square meters to Hang Lung's portfolio on West Nanjing Road, representing a 44% increase in total gross floor area to approximately 312,000 square meters. The property will be transformed into a dynamic mixed-use complex featuring integrated retail, hospitality, and office spaces. The strategic initiative will significantly enhance the scale and synergy of our Shanghai portfolio, foster a vibrant local community, enrich the cultural atmosphere, and strengthen West Nanjing Road's position as a premier lifestyle destination nationally. Hang Lung Properties holds 60% interest in the project.

Hong Kong

The land site at 37 Shouson Hill Road in the Southern District of Hong Kong Island will be redeveloped into luxury houses. Demolition work was completed in June 2025, and the site formation plan was approved in September 2025. The development scheme is currently in the planning stage.

The acquisition of all units at 8–12A Wilson Road in Jardine’s Lookout on Hong Kong Island was completed in January 2025. This redevelopment project, with an expected gross floor area of approximately 25,800 square feet, will consist of detached luxury houses with spacious gardens overlooking eastern Mid-Levels and the Central skyline. The development scheme was approved by the government in May 2025. Demolition commenced in August 2025 and is expected to be completed in the first half of 2026.

FINANCING MANAGEMENT

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

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

For debt portfolio management, we prioritize mitigating foreign exchange, interest rate, and refinancing risks through a mix of HKD/RMB borrowings with gradually increasing RMB-denominated borrowings, a balanced combination of fixed/floating-rate debts, a staggered debt repayment profile, and diversified sources of funding.

● *Cash Management*

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

	At December 31, 2025		At December 31, 2024	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Denominated in:				
HKD	3,760	59%	8,367	81%
RMB	2,574	41%	1,934	19%
USD	1	-	2	-
Total cash and bank balances	6,335	100%	10,303	100%

All deposits are placed with banks that carry a strong credit rating, with thresholds set for concentration management and routine monitoring of counterparty risk.

● *Debt Portfolio*

At the balance sheet date, total borrowings amounted to HK\$53,589 million (December 31, 2024: HK\$57,376 million), of which 47% was denominated in RMB, which acts as a natural hedge to net investments in the Chinese Mainland.

Our fixed-rate borrowings primarily consist of bonds, fixed-rate bank loans, and floating-rate bank loans converted into fixed-rate loans through interest rate swaps. Fixed-rate borrowings accounted for 42% of total borrowings as of December 31, 2025. After excluding the onshore floating-rate debts, the fixed-rate borrowings would comprise 61% of total offshore borrowings as of December 31, 2025 (December 31, 2024: 56%).

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

(i) by currency (after currency swap):

	At December 31, 2025		At December 31, 2024	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Denominated in:				
HKD	28,350	53%	36,705	64%
RMB	25,239	47%	20,671	36%
Total borrowings	53,589	100%	57,376	100%

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

	<u>At December 31, 2025</u>		<u>At December 31, 2024</u>	
	HK\$ Million	<i>% of Total</i>	HK\$ Million	<i>% of Total</i>
Fixed	22,418	42%	23,725	41%
Floating	31,171	58%	33,651	59%
Total borrowings	53,589	100%	57,376	100%

● *Gearing Ratios*

At the balance sheet date, the net debt balance amounted to HK\$47,254 million (December 31, 2024: HK\$47,073 million). The net debt to equity ratio was 32.7% (December 31, 2024: 33.4%), and the debt to equity ratio was 37.1% (December 31, 2024: 40.7%).

● *Maturity Profile and Refinancing*

At the balance sheet date, the average tenure of our debt portfolio was maintained at 2.9 years (December 31, 2024: 2.9 years). The maturity profile is staggered over more than 11 years. Around 60% of our outstanding debts would be repayable after two years (December 31, 2024: 65%).

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

	<u>At December 31, 2025</u>		<u>At December 31, 2024</u>	
	HK\$ Million	<i>% of Total</i>	HK\$ Million	<i>% of Total</i>
Repayable:				
Within 1 year	4,913	9%	9,340	16%
After 1 but within 2 years	16,370	31%	10,859	19%
After 2 but within 5 years	28,500	53%	33,295	58%
Over 5 years	3,806	7%	3,882	7%
Total borrowings	53,589	100%	57,376	100%

As of December 31, 2025, the total undrawn committed banking facilities amounted to HK\$21,404 million (December 31, 2024: HK\$12,535 million). The available balances of the US\$4 billion

(December 31, 2024: US\$4 billion) medium-term note program amounted to US\$2,792 million, equivalent to HK\$21,731 million (December 31, 2024: HK\$16,134 million).

● *Net Finance Costs and Interest Cover*

For the year ended December 31, 2025, gross finance costs decreased 8% to HK\$1,938 million, while the average effective cost of borrowing fell significantly to 3.8% (2024: 4.3%). This was mainly driven by interest rate cuts and lower borrowing costs in the market, alongside an increased proportion of lower-cost RMB-denominated (CNH/CNY) borrowings, which offset and outweighed the higher interest from the increase in average borrowings deployed for capital expenditure.

The net amount charged to the statement of profit or loss (after excluding capitalized amounts) increased to HK\$920 million, as a number of Hong Kong and Mainland projects ceased capitalizing interests upon completion in 2024.

Interest cover for the year ended December 31, 2025, was improved to 3.1 times (2024: 2.8 times).

● *Foreign Exchange Management*

The primary exchange rate risk we face is RMB fluctuations. This exposure is mainly derived from the currency translation risk arising from the net assets of our subsidiaries in the Mainland.

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

As of December 31, 2025, net assets denominated in RMB accounted for approximately 69% of our total net assets. The RMB appreciated against the HKD by 1.9% compared with December 31, 2024. The translation of these net assets from RMB into HKD at the exchange rate as of the reporting date resulted in a translation gain of HK\$2,367 million (2024: loss of HK\$2,147 million), recognized in other comprehensive income.

CHARGE OF ASSETS

None of Hang Lung Properties' assets were charged to third parties as of December 31, 2025, and December 31, 2024.

CAPITAL COMMITMENTS

As of December 31, 2025, our capital commitments for the development of investment properties and hotels amounted to HK\$6,706 million (2024: HK\$13,342 million).

The capital commitments in relation to capital injection to new joint ventures projects were RMB790 million (or HK\$875 million) (2024: Nil).

In relation to the Westlake 66 Expansion Project, subject to fulfillment of certain conditions of the lease, the estimated total fixed lease payments for the 20-year lease with effect from April 1, 2028, will amount to approximately RMB3.2 billion (or HK\$3.5 billion) (2024: Nil).

CONTINGENT LIABILITIES

As of December 31, 2025, our material contingent liabilities were as follows:

- a) As of 31 December 31, 2025, an amount of RMB120 million (or HK\$132 million) (2024: Nil) was given to banks with respect to mortgage loans procured by the buyers of property units in Center Residences, Wuxi. Such guarantees will be released by banks upon the issuance of real estate ownership certificates to the buyers and upon completion of the relevant mortgage properties registration.
- b) In relation to the Westlake 66 Expansion Project, an irrevocable and unconditional guarantee of RMB764 million (or HK\$846 million) (2024: Nil) was issued by the Company in favor of the lessor to secure the subsidiary's lease payment commitment or obligation as the lessee.

SUSTAINABILITY

Sustainability is one of Hang Lung's core values, embedded in our practices across our operating properties and development projects. We aim to generate long-term value for our stakeholders while making a positive contribution to our communities through various sustainable practices and initiatives.

In 2025, the target year of our “25 x 25” Sustainability Targets, we delivered strong performance across our four priorities—Climate Resilience, Resource Management, Wellbeing, and Sustainable Transactions—and exceeded targets related to greenhouse gas emissions reduction, renewable energy adoption, and energy efficiency. Launched in 2021, these targets defined Hang Lung's sustainability agenda through 2025 and fostered a culture of innovation and continual improvement. Building on this success, we refreshed our 2030 sustainability goals and targets to sharpen our focus, set clear and measurable actions, and strengthen our ability to manage sustainability-related risks and opportunities. We remain committed to reducing emissions and achieving net zero by 2050, in alignment with the Science-Based Target initiative's (SBTi) Net-Zero Standard.

Our efforts during 2025 earned recognition from leading ESG benchmarks and indices. During the year, Hang Lung achieved a 5-star rating in GRESB's Standing Investment benchmark, an AA+ rating in the 2025/26 assessment of the Hang Seng Corporate Sustainability Index Series, and CDP A List recognition for both Climate Change and Water. We also maintained our MSCI ESG rating of AA, sustained a “Low Risk” rating from Sustainalytics, and remained a constituent of the FTSE4Good Index Series.

Achieving 80% Renewable Energy in Our Chinese Mainland Portfolio

In 2025, Hang Lung expanded the use of renewable energy across our operating properties in the Mainland from 50% to 80%, marking a significant step toward our 2050 net zero goal. Three additional properties—Forum 66 and Palace 66 in Shenyang, and Olympia 66 in Dalian—fully transitioned to renewable energy sources under power purchase agreements from May 1, becoming the first commercial developments in Liaoning Province to reach this milestone. By the end of the year, we procured approximately 320 million kWh of renewable energy across eight properties, surpassing our 2025 target of sourcing 25% of electricity from renewables in our Mainland portfolio. Our renewable energy achievements also received international acknowledgement: RE100, part of the Climate Group, honored us with a “Best Newcomer” award at its 2025 RE100 Leadership Awards. We were selected by an international panel for our “ambition and

pioneering work in accelerating the global transition to 100% renewable electricity.”

Driving Decarbonization Through Low Carbon Emissions Steel Procurement

We further advanced our embodied carbon reduction efforts in 2025 by procuring low carbon emissions steel for over 80% of the reinforcing steel used in a key tunnel of the Westlake 66 project in Hangzhou. Manufactured using renewable energy and recycled steel scrap, the procured steel produced approximately 50% less carbon emissions than conventional alternatives.

This initiative builds on our earlier success with the Plaza 66 Pavilion Extension in Shanghai, the first commercial real estate project in the Mainland to incorporate low carbon emission steel. Collectively, we achieved over 40% reduction in embodied carbon emissions by procuring low carbon emissions steel across our Shanghai and Hangzhou projects in 2024 and 2025.

Scaling Collective Action Through Tenant Partnerships on Sustainability

At Hang Lung, we see our tenants as vital partners in our sustainability journey. Beyond our sustainability partnership with LVMH Group, we continue to strengthen engagement through our Changemakers: Tenant Partnerships on Sustainability Program (the “Changemakers Program”). This initiative brings together office, retail, and hospitality tenants to reduce energy consumption and waste, promote circularity, and improve community wellbeing.

In April 2025, we hosted our inaugural recognition ceremony to celebrate tenants for their sustainability achievements in 2024—the first year of the Changemakers Program. We introduced new support measures to help tenants improve their operational practices, including a real-time energy and carbon management platform, energy audits for tenants across the portfolio, and food waste management advisory services to food and beverage tenants in Hong Kong. Additionally, we conducted capacity-building workshops on various sustainability topics tailored to tenants’ needs.

As of December 2025, 76 tenants from diverse sectors, including office, retail, and hospitality, have partnered with us on sustainability across 18 properties in Hong Kong and the Chinese Mainland, covering over 319,000 square meters of leased floor area, or 20% of our leased floor area at applicable properties.

Empowering Young Entrepreneurs Via Community · Connect

In celebration of Hang Lung's 65th anniversary, we launched "Community · Connect," a community investment philosophy designed to empower youth and reinforce our commitment to enriching lives. Through vibrant and sustainable community connections and strategic partnerships, the initiative nurtures entrepreneurship, creativity, and inclusion to unlock possibilities for better tomorrow.

Throughout 2025, we implemented a series of "Community · Connect" pilot projects at three selected locations in the Mainland, including Grand Gateway 66 in Shanghai, Parc 66 in Jinan and Spring City 66 in Kunming. These initiatives provided rent-free opportunities for young entrepreneurs, artisans, and local groups to showcase their businesses, expand their networks, and engage with the wider community. The projects delivered tangible social impacts.

In Hong Kong, we partnered with the Housing Authority's "Well-Being · Start-Up 2.0" program, offering three selected entrepreneurs six months of rent-free retail space at Peak Galleria, Kornhill Plaza, and Amoy Plaza, along with shop renovations, marketing support, and brand exposure. This collaboration empowered these entrepreneurs to test their business ideas and pursue their aspirations.

Supporting Households Affected by the Wang Fuk Court Fire

In response to the tragic fire at Wang Fuk Court in Tai Po, Hang Lung has committed a total of HK\$11 million to establish the Tai Po Wang Fuk Court Fire Relief Fund, providing financial assistance and accommodation support to affected residents. From this total, HK\$10 million was pledged for relief and recovery efforts. To address the urgent need for shelter, Hang Lung also offered 20 serviced apartment units at Kornhill Apartments in Quarry Bay, rent-free for two months, to assist those displaced by the incident.

Sustainable Finance

As of December 31, 2025, green bonds, green loans, and sustainability-linked loan facilities together represented 58% of our total debt and available facilities. Proceeds from green bonds and green loans are allocated to eligible green projects as defined by our Sustainable Finance Framework, while sustainability-linked loan facilities are tied to performance against predefined sustainability KPIs and support various corporate initiatives and general corporate financing.

OUTLOOK

While higher tariffs are significantly impacting global economies, the trade conflict between China and the United States remains at a standstill. The prospect of further interest rate cuts and improving consumer confidence is underpinning the stabilization of the retail sector. We will remain vigilant, agile, and adaptive in managing emerging risks and capturing prospective opportunities.

In the Mainland, 2026 is expected to mark a gradual recovery in retail leasing, particularly across prime destinations. Notwithstanding headwinds in luxury spending, we have continued to strengthen occupancy and footfall through ongoing tenant mix recalibration, targeted marketing initiatives, and asset enhancement efforts, positioning our retail portfolio for a measured recovery as conditions begin to improve. We will continue to capitalize on structural shifts in the retail landscape, including an increased focus on value-driven consumption and the evolution of “retail placemaking,” in which physical stores function as social and experiential venues rather than purely transactional platforms. The “66” brand will be further elevated in conjunction with Hang Lung’s 66th anniversary in 2026, supported by a coordinated program of innovative marketing campaigns across the Mainland portfolio to reinforce the brand’s associations with luxury, youthfulness, and community well-being, and to deepen engagement with core customer segments. Westlake 66 is expected to become a key growth engine, with more than 90% of retail space already committed to date. Over the medium term, Westlake 66, the Plaza 66 Pavilion Extension, and expansion initiatives under the Hang Lung V.3 strategy are expected to fuel rental growth as they reach full operations, providing the space and capabilities to expand our retail experiential offerings and leverage emerging consumer consumption trends.

Office leasing fundamentals are projected to remain subdued in 2026, characterized by elevated vacancies, continued rent pressures, and weak demand. Against this backdrop, our well-located Grade A office towers and our focus on high-quality domestic and multinational tenants should help maintain relatively stronger occupancy levels compared to the broader market.

In Hong Kong, the mega-events supporting visitor arrivals and an ongoing shift in the tenant mix toward experiential, food and beverage, and lifestyle offerings are expected to bolster more stable retail rents. Office leasing conditions remain challenging, implying limited near-term rental growth and the continued need for selective concessions and incentives. Nevertheless, incremental demand from professional services and disciplined leasing execution should help sustain occupancy, with potential upsides if overall business sentiment improves.

For property sales, given the sensitivity to policy developments and buyer sentiment in both the Mainland and Hong Kong, our 2026 sales approach is expected to emphasize disciplined pricing, phased releases, and high product quality. Our dedication to excellence and premium management services sets us apart from our peers and positions us to attract discerning buyers when the economy recovers.

The recent announcements of the Center 66 Expansion Project in Wuxi and the No. 1038 West Nanjing Road Commercial Project in Shanghai mark key milestones of the Hang Lung V.3 strategy. These strategic partnerships with local property owners—supported by the government initiatives such as urban renewal, domestic consumption stimulation, and the integrated development of culture, sports, and tourism—strengthen our market leadership, generate portfolio synergies, and uphold our customer-centric commitment.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS **FOR THE YEAR ENDED DECEMBER 31, 2025 (AUDITED)**

	Note	2025		2024		<i>For information purpose only</i>	
		HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	RMB Million	RMB Million
Revenue	2(a)	9,950	11,242			9,140	10,314
Direct costs and operating expenses		(3,423)	(4,787)			(3,144)	(4,403)
		6,527	6,455			5,996	5,911
Other net income	3	54	35			50	32
Administrative expenses		(652)	(650)			(601)	(599)
Profit from operations before changes in fair value of properties		5,929	5,840			5,445	5,344
Decrease in fair value of properties		(1,051)	(937)			(955)	(866)
Profit from operations after changes in fair value of properties		4,878	4,903			4,490	4,478
Interest income		34	42			31	38
Finance costs		(954)	(926)			(879)	(853)
Net interest expense	4	(920)	(884)			(848)	(815)
Share of profits of joint ventures		3	26			3	24
Profit before taxation	5	3,961	4,045			3,645	3,687
Taxation	6	(1,633)	(1,388)			(1,499)	(1,270)
Profit for the year	2(b)	2,328	2,657			2,146	2,417
Attributable to:							
Shareholders		1,806	2,153			1,667	1,959
Non-controlling interests		522	504			479	458
Profit for the year		2,328	2,657			2,146	2,417
Earnings per share	8(a)						
Basic		HK\$0.37	HK\$0.46			RMB0.34	RMB0.42
Diluted		HK\$0.37	HK\$0.46			RMB0.34	RMB0.42

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025 (AUDITED)**

	2025 HK\$ Million	2024 HK\$ Million	<i>For information purpose only</i>	
			2025 RMB Million	2024 RMB Million
Profit for the year	2,328	2,657	2,146	2,417
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Movement in exchange reserve:				
Exchange difference arising from translation to presentation currency	2,706	(2,295)	(1,821)	1,250
(Loss)/gain on net investment hedge	(339)	148	-	-
Movement in hedging reserve:				
Effective portion of changes in fair value	(143)	120	(133)	110
Net amount transferred to profit or loss	20	(60)	18	(55)
Deferred tax	20	(9)	19	(8)
Item that will not be reclassified to profit or loss:				
Net change in fair value of equity investments	(3)	-	(3)	-
Other comprehensive income for the year, net of tax	2,261	(2,096)	(1,920)	1,297
Total comprehensive income for the year	4,589	561	226	3,714
Attributable to:				
Shareholders	3,815	269	(267)	3,262
Non-controlling interests	774	292	493	452
Total comprehensive income for the year	4,589	561	226	3,714

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2025 (AUDITED)

	Note	2025	2024	<i>For information purpose only</i>	
		HK\$ Million	HK\$ Million	2025 RMB Million	2024 RMB Million
Non-current assets					
Investment properties	9	167,897	166,519	151,372	155,224
Investment properties under development	9	27,359	24,001	24,711	22,226
Property, plant and equipment		3,055	2,833	2,759	2,625
Interests in joint ventures		1,076	1,104	967	1,040
Other assets		73	76	66	72
Deferred tax assets		153	140	138	132
		199,613	194,673	180,013	181,319
Current assets					
Cash and deposits with banks		6,335	10,303	5,705	9,676
Trade and other receivables	10	2,692	3,183	2,429	2,968
Properties for sale		14,272	13,489	12,860	12,603
		23,299	26,975	20,994	25,247
Current liabilities					
Bank loans and other borrowings		4,913	9,340	4,429	8,749
Trade and other payables	11	10,167	9,291	9,169	8,651
Lease liabilities		26	23	23	21
Current tax payable		318	294	287	273
		15,424	18,948	13,908	17,694
Net current assets		7,875	8,027	7,086	7,553
Total assets less current liabilities		207,488	202,700	187,099	188,872
Non-current liabilities					
Bank loans and other borrowings		48,676	48,036	43,811	45,077
Lease liabilities		254	240	229	222
Deferred tax liabilities		14,092	13,374	12,726	12,394
		63,022	61,650	56,766	57,693
NET ASSETS		144,466	141,050	130,333	131,179
Capital and reserves					
Share capital		43,837	42,051	41,045	39,410
Reserves		90,892	89,536	80,492	83,010
Shareholders' equity		134,729	131,587	121,537	122,420
Non-controlling interests		9,737	9,463	8,796	8,759
TOTAL EQUITY		144,466	141,050	130,333	131,179

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The financial information relating to the years ended December 31, 2025 and 2024 included in this announcement of annual results does not constitute the statutory annual consolidated financial statements of Hang Lung Properties Limited (the “Company”) and its subsidiaries (collectively the “Group”) for those years but is derived from those consolidated financial statements in accordance with section 436 of the Hong Kong Companies Ordinance (Cap.622). The Company has delivered the consolidated financial statements for the year ended December 31, 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 and will deliver the consolidated financial statements for the year ended December 31, 2025 in due course. The Company’s auditor has reported on the consolidated financial statements for both years. The auditor’s reports were unqualified and they did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports, and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

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

1. BASIS OF PREPARATION (Continued)

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

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

The material accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2024.

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

2. REVENUE AND SEGMENT INFORMATION

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

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

(a) Disaggregation of revenue

For the year ended December 31, 2025

HK\$ Million	Revenue from contracts with customers			Leases	Total
	recognized at a point in time	recognized over time	Subtotal		
Rental income	-	-	-	8,245	8,245
Hotel revenue	107	190	297	-	297
Sales of completed properties	264	-	264	-	264
Building management fees and other income from property leasing	-	1,144	1,144	-	1,144
	371	1,334	1,705	8,245	9,950

For the year ended December 31, 2024

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

2. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Revenue and results by segments

HK\$ Million	2025				2024			
	Property Leasing	Hotels	Property Sales	Total	Property Leasing	Hotels	Property Sales	Total
Revenue								
- Chinese Mainland	6,414	297	59	6,770	6,466	189	56	6,711
- Hong Kong	2,975	-	205	3,180	3,049	-	1,482	4,531
	9,389	297	264	9,950	9,515	189	1,538	11,242
Profit/(loss) from operations before changes in fair value of properties								
- Chinese Mainland	3,942	(34)	(51)	3,857	3,990	(63)	(197)	3,730
- Hong Kong	2,095	-	(23)	2,072	2,158	-	(48)	2,110
	6,037	(34)	(74)	5,929	6,148	(63)	(245)	5,840
Decrease in fair value of properties	(1,051)	-	-	(1,051)	(937)	-	-	(937)
- Chinese Mainland	(757)	-	-	(757)	(587)	-	-	(587)
- Hong Kong	(294)	-	-	(294)	(350)	-	-	(350)
Net interest expense	(874)	(46)	-	(920)	(851)	(33)	-	(884)
- Interest income	32	2	-	34	40	2	-	42
- Finance costs	(906)	(48)	-	(954)	(891)	(35)	-	(926)
Share of profits of joint ventures	3	-	-	3	26	-	-	26
Profit/(loss) before taxation	4,115	(80)	(74)	3,961	4,386	(96)	(245)	4,045
Taxation	(1,631)	-	(2)	(1,633)	(1,369)	-	(19)	(1,388)
Profit/(loss) for the year	2,484	(80)	(76)	2,328	3,017	(96)	(264)	2,657
Net profit/(loss) attributable to shareholders	1,962	(80)	(76)	1,806	2,513	(96)	(264)	2,153

Certain comparative figures have been reclassified to conform with information provided to the Group's most senior executive management.

2. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Total segment assets

HK\$ Million	2025				2024			
	Property Leasing	Hotels	Property Sales	Total	Property Leasing	Hotels	Property Sales	Total
Chinese Mainland	135,189	2,794	7,430	145,413	130,171	2,544	6,636	139,351
Hong Kong	62,681	-	7,181	69,862	62,774	-	7,900	70,674
	197,870	2,794	14,611	215,275	192,945	2,544	14,536	210,025
Interests in joint ventures				1,076				1,104
Other assets				73				76
Deferred tax assets				153				140
Cash and deposits with banks				6,335				10,303
				222,912				221,648

3. OTHER NET INCOME

HK\$ Million	2025	2024
Government grants	15	7
Gain on disposal of investment properties	28	-
(Loss)/gain on disposal of property, plant and equipment	(1)	17
Dividend income from equity investments measured at fair value changes in other comprehensive income	2	2
Net exchange loss	-	(2)
Others	10	11
	54	35

4. NET INTEREST EXPENSE

HK\$ Million	2025	2024
Interest income on bank deposits	34	42
Interest expense on bank loans and other borrowings	1,804	2,003
Interest on lease liabilities	13	13
Other borrowing costs	121	93
Total borrowing costs	1,938	2,109
Less: Borrowing costs capitalized	(984)	(1,183)
Finance costs	954	926
Net interest expense	(920)	(884)

5. PROFIT BEFORE TAXATION

HK\$ Million	2025	2024
Profit before taxation is arrived at after charging:		
Cost of properties sold	253	1,225
Provision for properties for sale	-	384
Staff costs (Note)	1,478	1,520
Depreciation	150	117

Note: The staff costs included employee share-based payments of HK\$54 million (2024: HK\$74 million). If the amounts not recognized in the statement of profit or loss, including amounts capitalized, were accounted for, staff costs would have been HK\$1,790 million (2024: HK\$1,844 million).

6. TAXATION

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

Chinese Mainland Land Appreciation Tax (“LAT”) is levied on properties in the Chinese Mainland 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.

HK\$ Million	2025	2024
Current tax		
Hong Kong Profits Tax	240	250
Under-provision in prior years	3	5
	243	255
Chinese Mainland Income Tax	985	1,016
Chinese Mainland LAT	2	-
Total current tax	1,230	1,271
Deferred tax		
Changes in fair value of properties	310	20
Other origination and reversal of temporary differences	93	97
Total deferred tax	403	117
Total income tax expense	1,633	1,388

7. DIVIDENDS

(a) Dividends attributable to the year

HK\$ Million	2025	2024
Interim dividend declared and paid of HK12 cents (2024: HK12 cents) per share	600	566
Final dividend of HK40 cents (2024: HK40 cents) per share proposed after the end of the reporting period	2,023	1,913
	2,623	2,479

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

The Scrip Dividend Arrangement is conditional upon: (1) the approval of the proposed final dividend at the Annual General Meeting to be held on April 30, 2026; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to the Scrip Dividend Arrangement.

- (b) The final dividend of HK\$1,913 million (calculated based on HK40 cents per share and the total number of issued shares as of the dividend pay-out date) for the year ended December 31, 2024 was approved and paid in the year ended December 31, 2025 (2024: HK\$2,699 million), of which HK\$1,347 million was settled through scrip dividend pursuant to the Scrip Dividend Arrangement announced by the Company on January 24, 2025.

Included in 2025 interim dividend paid during the year, HK\$439 million was settled through scrip dividend pursuant to the Scrip Dividend Arrangement announced by the Company on July 30, 2025.

8. EARNINGS PER SHARE

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

HK\$ Million	2025	2024
Net profit attributable to shareholders	1,806	2,153
	Number of shares	
	2025	2024
Weighted average number of shares used in calculating basic earnings per share	4,917,535,138	4,635,426,372
Effect of dilutive potential ordinary shares — share options	1,088,328	-
Weighted average number of shares used in calculating diluted earnings per share	4,918,623,466	4,635,426,372

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

HK\$ Million	2025	2024
Net profit attributable to shareholders	1,806	2,153
Effect of changes in fair value of properties	1,051	937
Effect of income tax for changes in fair value of properties	310	20
Effect of changes in fair value of investment properties of joint ventures	31	11
	1,392	968
Non-controlling interests	4	(26)
	1,396	942
Underlying net profit attributable to shareholders	3,202	3,095

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

	2025	2024
Basic	HK\$0.65	HK\$0.67
Diluted	HK\$0.65	HK\$0.67

9. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT

(a) Additions

During the year, additions to investment properties and investment properties under development amounted to HK\$2,644 million (2024: HK\$3,744 million).

(b) Valuation

The investment properties and investment properties under development of the Group were revalued as of December 31, 2025 by Savills Valuation and Professional Services Limited, an independent qualified valuer, on a market value basis.

10. TRADE AND OTHER RECEIVABLES

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

HK\$ Million	2025	2024
Not past due or less than 1 month past due	163	166
1 – 3 months past due	10	16
More than 3 months past due	3	2
	176	184

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

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

11. TRADE AND OTHER PAYABLES

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

HK\$ Million	2025	2024
Due within 3 months	1,156	1,368
Due after 3 months	2,856	2,647
	4,012	4,015

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

OTHER INFORMATION

Employees

As of December 31, 2025, the number of employees was 4,526 (comprising 912 Hong Kong employees and 3,614 Chinese Mainland-based employees). We provide competitive remuneration packages for all employees including discretionary bonuses payable based on individual performance. We regularly review remuneration packages to ensure that they comply with relevant regulatory requirements and market conditions. The Company also has a share option scheme and provides professional and high-quality training for employees.

Purchase, Sale or Redemption of Listed Securities

During the year ended December 31, 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

During the year ended December 31, 2025 and as of December 31, 2025, the Company did not have any treasury shares (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

Compliance with Corporate Governance Code

During the year ended December 31, 2025, the Company did not only comply with, but in certain areas also exceeded the requirements of, the code provisions set out in the Corporate Governance Code as stated in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Audit Committee

The annual results for the year ended December 31, 2025, have been reviewed by the Audit Committee of the Company. Hang Lung Properties' consolidated financial statements have been audited by the Company's auditor, KPMG, and it has issued an unmodified opinion.

Book Close Dates

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

Book close dates (both days inclusive)	April 27 to 30, 2026
Latest time to lodge transfers	4:30 pm on April 24, 2026
Record date	April 30, 2026
AGM	April 30, 2026

For the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, April 27, 2026 to Thursday, April 30, 2026, both days inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, April 24, 2026.

For ascertaining shareholders' entitlement to the proposed final dividend

Book close date	May 8, 2026
Latest time to lodge transfers	4:30 pm on May 7, 2026
Record date	May 8, 2026
Final dividend payment date	June 15, 2026

For the purpose of ascertaining shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed on Friday, May 8, 2026, on which no share transfers will be effected. In order to qualify for the proposed final dividend (if any, subject to shareholders' approval at the AGM), all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, May 7, 2026.

On Behalf of the Board

Adriel Chan

Chair

Hong Kong, January 30, 2026

As of the date of this announcement, the Board of the Company comprises:

Executive Directors: Mr. Adriel CHAN, Mr. Weber W.P. LO and Mr. Kenneth K.K. CHIU

Non-Executive Director: Mr. Andrew WEIR

Independent Non-Executive Directors: Mr. Nelson W.L. YUEN, Mr. Philip N.L. CHEN, Dr. Andrew K.C. CHAN, Ms. Anita Y.M. FUNG and Ms. Holly T.F. LI

GLOSSARY

Financial Terms

Finance costs: Total of interest expense on total borrowings and other borrowing costs, net of amount capitalized

Total borrowings: Total of bank loans and other borrowings, net of unamortized other borrowing costs

Net debt: Total borrowings net of cash and deposits with banks

Net profit attributable to shareholders: Profit for the year (after tax) less amounts attributable to non-controlling interests

Underlying net profit attributable to shareholders: Net profit attributable to shareholders excluding changes in fair value of properties net of related income tax and non-controlling interests

Financial Ratios

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