恒隆集團有限公司
HANG LUNG GROUP LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00010)

2025 ANNUAL RESULTS

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FINANCIAL HIGHLIGHTS

RESULTS

	2025 (HK$ Million)				2024 (HK$ Million)			
	Property Leasing	**Hotels**	**Property Sales**	**Total**	Property Leasing	Hotels	Property Sales	Total
Revenue	**9,853**	**297**	**264**	**10,414**	10,033	189	1,538	11,760
- Chinese Mainland	**6,757**	**297**	**59**	**7,113**	6,851	189	56	7,096
- Hong Kong	**3,096**	**-**	**205**	**3,301**	3,182	-	1,482	4,664
Operating profit/(loss)	**6,972**	**(34)**	**(102)**	**6,836**	7,134	(63)	(245)	6,826
- Chinese Mainland	**4,568**	**(34)**	**(51)**	**4,483**	4,656	(63)	(197)	4,396
- Hong Kong	**2,404**	**-**	**(51)**	**2,353**	2,478	-	(48)	2,430
Underlying net profit/(loss) attributable to shareholders	**2,529**	**(73)**	**(49)**	**2,407**	2,576	(84)	(165)	2,327
Net decrease in fair value of properties attributable to shareholders	**(1,037)**	**-**	**-**	**(1,037)**	(714)	-	-	(714)
Net profit/(loss) attributable to shareholders	**1,492**	**(73)**	**(49)**	**1,370**	1,862	(84)	(165)	1,613

	At December 31, 2025	At December 31, 2024
Shareholders' equity (HK$ Million)	**98,881**	95,776
Net assets attributable to shareholders per share (HK$)	**$72.6**	$70.3

Earnings and Dividends (HK$)

	2025	2024
Earnings per share		
- Based on underlying net profit attributable to shareholders	**$1.77**	$1.71
- Based on net profit attributable to shareholders	**$1.01**	$1.18
Dividends per share	**$0.86**	$0.86
- Interim	**$0.21**	$0.21
- Final	**$0.65**	$0.65

Financial Ratios

	2025	2024
Payout ratio (based on net profit attributable to shareholders)		
- Total	**85%**	73%
- Property leasing and Hotels	**83%**	66%
- Property leasing and Hotels (after deducting amount of interest capitalized)	**122%**	95%
Payout ratio (based on underlying net profit attributable to shareholders)		
- Total	**49%**	50%
- Property leasing and Hotels	**48%**	47%
- Property leasing and Hotels (after deducting amount of interest capitalized)	**59%**	60%

	At December 31, 2025	At December 31, 2024
Net debt to equity ratio	**30.9%**	30.8%
Debt to equity ratio	**35.3%**	37.9%

REVIEW OF OPERATIONS

RESULTS HIGHLIGHTS

In 2025, economic sentiment in the Chinese Mainland and evolving consumer behavior in Hong Kong influenced the real estate landscape. Against this backdrop, market conditions showed improvement compared to the previous year, with notable progress in the second half of 2025. Hang Lung Group Limited (the "Company") and its subsidiaries (collectively known as "the Group") sustained solid fundamentals in both occupancy and operational execution, which helped mitigate prevailing headwinds. Driven by ongoing enhancements to our tenant mix, occupancy rates across Hong Kong and the Mainland remained robust. Core property leasing revenue continued to demonstrate resilience with positive growth trends observed since May, mainly driven by properties in Shanghai, Wuxi, Dalian and Kunming.

Despite softer consumer sentiment in the Chinese Mainland affecting sales rents, our malls sustained strong fundamentals, achieving stable revenue and consistently high occupancy of over 95% in most locations.

In Hong Kong, targeted tenant retention measures and diversified strategies drove solid improvements in occupancy within our retail and office portfolios, which closed the year at 95% and 90%, respectively. Our residential and serviced apartments business saw strong momentum, supported by the government's talent admission regime, with occupancy rising three points and revenue up 6% year-on-year.

The Group recorded total revenue of HK$10,414 million in 2025 (2024: HK$11,760 million). Overall operating profit was HK$6,836 million (2024: HK$6,826 million). Revenue and operating profit from property leasing were HK$9,853 million (2024: HK$10,033 million) and HK$6,972 million (2024: HK$7,134 million), respectively. Hotel revenue reported HK$297 million (2024: HK$189 million). Property sales revenue recorded HK$264 million (2024: HK$1,538 million).

As part of Hang Lung's 65th anniversary celebrations, a comprehensive calendar of nationwide events and marketing campaigns drove significant foot traffic and enhanced customer interaction, reflecting the effectiveness of our customer-centric approach and the lasting vibrancy of our destinations.

Consistent with our long-term development strategy, the Company remained committed to investments. Through the launch of Hang Lung V.3, which targets expansion in core cities, customer experience enhancement, and selective, capital-efficient reinvestments to reinforce scale and visibility, multiple landmark projects were initiated or announced during the year, including 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, Kimpton Xujiahui Shanghai, and the remaining mixed-use development of Forum 66 in Shenyang.

** See details of these projects in the "Property Development" section*

CONSOLIDATED RESULTS

Overall revenue of the Group for the year ended December 31, 2025 decreased 11% against last year to HK$10,414 million, primarily due to an 83% decline in property sales, which amounted to HK$264 million. Overall operating profit stayed robust at HK$6,836 million. Revenue and operating profit from property leasing both fell 2% to HK$9,853 million and HK$6,972 million, respectively, largely due to continued softness in the office leasing market in the Chinese Mainland and slow economic recovery in Hong Kong. Driven by the expansion of our portfolio, hotel revenue increased 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$2,407 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$1.77.

The Group reported a net profit attributable to shareholders of HK$1,370 million (2024: HK$1,613 million) when including a net revaluation loss on properties attributable to shareholders of HK$1,037 million (2024: HK$714 million). The corresponding earnings per share amounted to HK$1.01 (2024: HK$1.18).

Revenue and Operating Profit

	Revenue			Operating Profit/(Loss)		
	2025	2024	Change	**2025**	2024	Change
	HK$ Million	HK$ Million		**HK$ Million**	HK$ Million	
Property Leasing	**9,853**	10,033	-2%	**6,972**	7,134	-2%
Chinese Mainland	**6,757**	6,851	-1%	**4,568**	4,656	-2%
Hong Kong	**3,096**	3,182	-3%	**2,404**	2,478	-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	**10,414**	11,760	-11%	**6,836**	6,826	-

DIVIDEND

The board of directors (the “Board”) of the Company has recommended, subject to shareholders' approval at the Annual General Meeting to be held on April 30, 2026, a final dividend of HK65 cents per share for 2025 (2024: HK65 cents) to be paid in cash on June 15, 2026, to shareholders whose names are listed on the register of members of the Company on May 8, 2026. Together with an interim dividend of HK21 cents per share (2024: HK21 cents), the full-year dividends for 2025 amounted to HK86 cents per share (2024: HK86 cents).

PROPERTY LEASING

Overall rental revenue decreased 2% to HK$9,853 million for the year ended December 31, 2025. Rental revenue from our Mainland portfolio retreated both 1% in Renminbi (RMB) terms and in HKD terms after considering the RMB depreciation against last year. The Hong Kong portfolio recorded a 3% decline in rental revenue.

In the Chinese Mainland, signs of recovery became increasingly visible as the consumption environment showed quarter-on-quarter improvement, signaling a turning point for the market. While consumers remained cautious about spending amid broader economic headwinds, their appetite for new experiences and fresh retail concepts gained momentum. To address increasingly diverse and personalized customer needs, we recalibrated our strategies to emphasize deeper customer engagement as well as curated, exclusive experiences tailored for discerning, value-conscious consumers. Distinctive retail spaces were developed to capture this evolving trend and inject renewed vitality into our mall portfolio. Throughout the year, we rolled out a series of nationwide events and marketing campaigns—alongside targeted promotions through HOUSE 66, our customer relationship management (CRM) program—to celebrate Hang Lung's 65th anniversary and strengthen connections with a broad base of customers. As a result of these collective efforts, overall rental revenue from our mall portfolio rose 1%, while tenant sales increased 4% year-on-year in RMB terms. Occupancy improved two points to 96% at the end of the year, reflecting the ongoing optimization of our tenant mix.

The office leasing market continued to face challenges in the reporting period, with rising vacancies and declining rents driven by an oversupply of space and subdued demand in major cities such as Shanghai. Leasing activities were largely characterized by tenants seeking cost efficiencies through downsizing and relocation to lower-priced alternatives. In response, we enhanced our portfolio's appeal by increasing rental incentives and maintaining high standards of property management, while further differentiating our offerings through vibrant social spaces, flexible work environments, green design features, tenant partnership initiatives, and the integration of smart technology to attract and retain high-quality, ESG-focused tenants. Over the year, our office portfolio revenue declined 7% in RMB terms. Overall occupancy dropped four points to 80% at the end of the year.

In Hong Kong, the government's promotion of the mega-event economy and a recent uptick in the stock market provided a moderate boost to consumer sentiment, stimulating discretionary spending among tourists and residents alike. Nonetheless, global economic headwinds and rising local unemployment rates prompted both locals and visitors to exercise greater caution in their spending. As a result, overall rental revenue in our retail portfolio dropped 4% while tenant sales stayed flat. We managed to sustain a high occupancy rate by strategically optimizing our tenant mix and implementing targeted promotional campaigns, including through our "hello Hang Lung Malls Rewards Program". In the office sector, the revival of the Hong Kong IPO market drove leasing demand, especially from financial and professional services firms. Nevertheless, the abundance of available space and a robust pipeline of new supply led to a downward trend in office rentals, resulting in a 2% decrease in office segment revenue this year. Despite these challenges, our proactive tenant retention strategies enabled us to maintain a stable occupancy level at 90% at the end of the year, compared to 89% a year earlier.

Chinese Mainland[1]

Property Leasing – Chinese Mainland Portfolio

	Revenue (RMB Million)		
	2025	2024	Change
Malls	**4,871**	4,805	1%
Offices	**1,223**	1,320	-7%
Residential & Serviced Apartments	**98**	127	-23%
Total	**6,192**	6,252	-1%
Total in HK$ Million equivalent	***6,757***	*6,851*	*-1%*

For the year ended December 31, 2025, overall rental revenue and operating profit both decreased 1%. Despite these declines, our strategic efforts, coupled with strengthening consumer sentiment, enabled our malls to maintain high occupancy rates and stable revenue. On the other hand, revenue of our premium office portfolio receded 7%, primarily due to oversupply and subdued demand for office space in highly competitive markets, particularly in top-tier cities such as Shanghai.

- *Malls*

Our mall portfolio delivered 1% revenue growth in 2025, with increases recorded across most malls, partially offset by declines at Riverside 66 in Tianjin, Heartland 66 in Wuhan, and Forum 66 in Shenyang, due to intense regional competition. Chinese consumers increasingly preferring products and services that enhance personal enjoyment and identity, while the health, fitness, and wellness segments are also driving growth. We further strengthened customer engagement through curated in-store experiences, exclusive events, and personalized services aimed at enhancing loyalty and brand affinity.

In light of the evolving retail landscape and shifting consumer dynamics, we have upgraded the brand mix across our malls, reinforcing our customer-centric approach. Accordingly, from this reporting year, we are refining the presentation of our Mainland portfolio by discontinuing the luxury and sub-luxury designations of our malls.

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

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, despite the short-term effects from the Pavilion Extension, closed the year with a strong occupancy rate of 96%. Supported by sustained demand for high-end luxury offerings amid evolving consumer spending behaviors, revenue and tenant sales grew 1% and 4%, respectively. Throughout the year, the mall marked Hang Lung’s 65th anniversary through collaborations with notable brands and artists, including ButterBear, Jellycat and Takashi Murakami’s Ohana Hatake, elevating its appeal with dynamic installations and immersive guest experiences. In November, our annual hallmark event, the “HOME TO LUXURY” party was held, which drove strong tenant sales and further strengthened loyalty among high-end customers. Through strategic marketing initiatives, we enhanced customer engagement, increased the number of HOUSE 66 CRM memberships, and reinforced Plaza 66’s market leadership in Shanghai and across the Mainland.

At **Grand Gateway 66** in Shanghai, new flagship stores and effective marketing strategies enhanced the trade mix and generated substantial footfall, resulting in revenue and tenant sales growth of 2% and 20%, respectively. Noteworthy marketing initiatives, including the interactive ButterBear showcase and the “Gateway to Inspiration” anniversary event, captured widespread media coverage, boosted foot traffic, and enhanced customer engagement. At the end of the year, the mall was fully occupied.

Revenue of the **Center 66** mall in Wuxi rose 10%, primarily driven by favorable rental reversions.

The mild decline in high-end retail sales was offset by stronger performance in the food and beverage and lifestyle sectors, boosting 3% tenant sales. In April, the mall actively engaged in the nationwide "Wiggle We Go" campaign, delivering interactive activities for families and young people. The "Take Center Stage" anniversary event in September attracted strong media attention and drove increased foot traffic, with its positive momentum extending into the National Day Golden Week. Consequently, the mall was fully occupied at the end of the year.

Over the past year, **Olympia 66**, the leading luxury destination in Dalian, achieved impressive results with a 12% increase in revenue and a 14% rise in tenant sales. This momentum was fueled by continuous improvements to the brand and trade mix across various categories and floors. Several promotional initiatives, including the "Wiggle We Go" collaboration with other Hang Lung malls for the Company's 65th anniversary and the mall's exclusive "Shining Olympia" anniversary celebrations, attracted enthusiastic participation and generated strong footfall throughout the year. Occupancy rate grew one point to 95% at the end of the year.

The **Spring City 66** mall in Kunming recorded a 9% rise in revenue and 7% growth in tenant sales, with a strong occupancy rate that reached 99% by the end of the year. Strategic initiatives aimed at elevating the appeal of the surrounding area included transforming Shangyi Street into an open-air extension of the Spring City 66 mall, positioning it as a vibrant cultural, leisure, and lifestyle destination anchored by a strong mix of first-to-market dining and retail concepts. These efforts have turned the precinct into a vibrant community destination, driving strong footfall and generating widespread media coverage, thereby reinforcing Spring City 66's status as Southwestern China's premier retail and lifestyle hub.

Revenue and tenant sales of **Parc 66** in Jinan grew 2% and 6%, respectively. With the Asset Enhancement Initiative (AEI) fully completed in January 2025, customer flow improved and the brand mix broadened, including first-in-town and exclusive concepts. These upgrades have strengthened the mall's appeal and laid the foundation for long-term, sustainable profitability. Occupancy rate increased four points to 97% at the end of the year.

Palace 66 in Shenyang recorded a 6% increase in revenue and a 17% increase in tenant sales. Enhancements to the food court and the introduction of fresh food and beverage concepts diversified customer demographics and increased traffic. Dynamic marketing campaigns and tenant collaborations, including culinary promotions and live sports and music events, captured media interest and enhanced engagement, particularly among younger customers. Occupancy rate rose four points to 98% at the end of the year.

Revenue of **Riverside 66** in Tianjin dropped 3% while tenant sales increased 2%. To remain competitive in the dynamic retail environment, we implemented targeted promotional strategies, including IP-brand partnerships such as the "Wiggle We Go" campaign, pop-culture activations, and social media–driven content to maximize marketing reach. Partnerships with leading brands and community organizations helped to integrate the mall into Tianjin's cultural and commercial scene. Occupancy rate decreased one point to 94% at the end of the year.

Heartland 66 mall in Wuhan recorded declines in revenue and tenant sales of 31% and 23%, respectively. The mall optimized its tenant mix with initiatives such as the launch of a gourmet alley and the introduction of experiential and athleisure concepts. Throughout the year, a range of targeted marketing initiatives, including the star-studded signature event "Glittering Heartland", the Central China debut of the ButterBear Autumn Baking Workshop and Meet & Greet, and the Doraemon Exhibition, complemented by festive installations and exclusive merchandise, drove strong traffic and tenant sales. Heartland 66 delivered solid results during the National Day Golden Week, despite strong promotional efforts from competitors across the city. Moving forward, we will continue to adopt a flexible approach to refine our marketing strategies, keeping pace with Wuhan's retail dynamics and maintaining a competitive edge. At the end of the year, occupancy rate grew five points to 90%.

Revenue and tenant sales of the **Forum 66** mall in Shenyang declined 36% and 54%, respectively. A strategic transition is directing the mall on enriching its modern lifestyle and food and beverage offerings to attract more customers and deliver superior shopping experience. Occupancy rate rose two points to 89% at the end of the year.

- *Offices*

The Mainland office leasing market remained sluggish in 2025, constrained by persistent economic uncertainty and excessive supply. Total revenue declined 7% to RMB1,223 million year-on-year, mainly due to lower occupancy rates and negative rental reversions. The premium Grade A office towers at Plaza 66 in Shanghai accounted for 70% of the overall revenue reduction, reflecting the city's broader market trends as tenants pursued cost-optimization through relocations amid softening rents and abundant supply. Despite these challenges, management upheld rigorous property service standards, thereby preserving quality and service excellence.

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%
Grand Gateway 66, Shanghai	**218**	225	-3%	**89%**	91%
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	**1,223**	1,320	-7%		

Amid prolonged market weakness and persistent oversupply, revenue of our two Grade A office towers at **Plaza 66** in Shanghai decreased 11%, primarily driven by lower unit rents. Reflecting market-wide rental and occupancy pressures in Shanghai's Grade A office sector, occupancy rate fell five points to 82% by the end of the year. Despite these headwinds, we are fully committed to leveraging our prime location and operational excellence to maintain our standing as a leading office destination in Shanghai.

Due to negative rental reversions against a backdrop of subdued market sentiment and rising vacancy rates, revenue of the office tower at **Grand Gateway 66** in Shanghai retreated 3% with occupancy rate dropped two points to 89%.

Revenue of the office tower at **Spring City 66** in Kunming decreased 4% while occupancy remained at 86% at the end of the year. We maintained our market leadership by leveraging our prime location, delivering modular office solutions with premium fit-outs and furnishings, and offering exceptional amenities and services.

As a result of weak demand and new office space coming to market, the office tower at **Forum 66** in Shenyang recorded a 4% decline in revenue. Amid these market pressures, we remain focused on driving active tenant engagement and upholding premium property management standards. Occupancy rate dropped four points to 86% at the end of the year.

Revenue of our two office towers at **Center 66** in Wuxi fell 7%, and occupancy rate retreated ten points to 78% at the end of the year. In the face of intense competition, we continue to reinforce our leadership in Wuxi's premium office segment through our exclusive services, our self-operated multifunctional workspace (HANGOUT), and upcoming hospitality expansions.

The office tower at **Heartland 66** in Wuhan recorded a 4% decline in revenue, and occupancy rate fell one point to 65% at the end of the year. Despite these market headwinds, our self-operated multifunctional workspace, HANGOUT, remains committed to delivering flexible office layouts that meet diverse tenant needs, support emerging business requirements, and foster collaboration.

- *Residential & Serviced Apartments*

Revenue primarily from the residential towers and serviced apartments at Grand Gateway 66 in Shanghai receded 24% during the year. Excluding the impact of the serviced apartment building, which ceased operations at the end of February 2025 for hotel redevelopment, revenue from the residential towers fell 13% due to a 2-point drop in occupancy rate. In response to sluggish market sentiment, we are refining our leasing strategy.

Hong Kong

Hong Kong's domestic consumption remained subdued in 2025, reflecting cautious spending among locals and changes in the travel behavior of Mainland visitors. The office sector continued to encounter structural challenges; however, our occupancy rate stayed strong at 90%, despite rental pressures arising from additional supply and prudent tenant expansion strategies.

Revenue decreased 3% to HK$3,096 million and operating profits declined 3% to HK$2,404 million. Nevertheless, through diversified leasing strategies and tenant mix optimization, we maintained stable occupancy and ensured operational resilience, with the rental margin standing at 78%.

Property Leasing – Hong Kong Portfolio

	Revenue (HK$ Million)			**Year-End Occupancy Rate**	
	2025	2024	Change	**2025**	2024
Retail	**1,761**	1,837	-4%	**95%**	94%
Offices and Industrial/Office	**1,106**	1,129	-2%	**90%**	89%
Residential & Serviced Apartments	**229**	216	6%	**91%**	88%
Total	**3,096**	3,182	-3%		

- *Retail*

Our Hong Kong retail portfolio recorded a 4% decrease in revenue to HK$1,761 million. In response to muted consumer sentiment, we strengthened our leasing approach and optimized our tenant portfolio. At the end of the year, the overall occupancy remained high at 95%.

With market sentiment remaining weak, tenant sales remained stable. To drive consumption, we will sustain efforts to boost consumption through implementing targeted promotional campaigns under the "hello Hang Lung Malls Rewards Program".

Following negative rental reversions and lease restructurings for some anchor tenants, revenue from retail properties in the **Central Business and Tourist District Portfolio** declined 5%. Occupancy rate fell to 94% at the end of the year.

The overall revenue of our **Community Mall Portfolio** decreased 3% year-on-year amid of cautious greater spending among local residents. Occupancy stayed strong at 95% compared with last year.

- *Offices and Industrial/Office*

As a result of negative rental reversions and pressure from declining rental prices caused by oversupply, revenue dropped 2% to HK$1,106 million. We achieved a relatively high occupancy level of 90% at the end of the year by implementing proactive measures such as offering fitted offices and subdividing premises to accommodate tenant needs.

Revenue from our **Hong Kong Island Portfolio** held steady despite these challenging conditions, accompanied by an occupancy increase of four points to 87% year-on-year. We also launched NET•WORK—a dynamic and flexible office space strategically located within Central's iconic Standard Chartered Bank Building. This new offer was well received by the market, with occupancy rate reaching 78% at the end of the year.

Revenue of our **Kowloon Portfolio** declined 6% but occupancy remained flat at 93%, reflecting cost-conscious behavior among semi-retail operators and continued rental adjustments.

- *Residential & Serviced Apartments*

Revenue from our residential and serviced apartments segment increased 6% year-on-year, driven by the Hong Kong government's talent admission regime, with an expanded customer base and flexible terms offerings in serviced apartments.

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%		
Total in HK$ Million equivalent	***297***	*189*	*57%*		

opened in August 2024

Despite mild pressure on the average daily rate, consistent with prevailing market trends in Shenyang, revenue for **Conrad Shenyang** rose 1% year-on-year, supported by an improvement in occupancy, which edged up two points in line with domestic travel demand.

During the first full year of operation, **Grand Hyatt Kunming** recorded revenue of RMB135 million. Momentum accelerated in the second half of 2025, with revenue surging almost 37% compared with the first six months, driven by both higher occupancy and the improved average daily rate.

PROPERTY SALES

Revenue of HK$264 million (2024: HK$1,538 million) was recognized during the reporting year 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, as of December 31, 2025, the contracted property sales yet to be recognized 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$202,895 million, including the Mainland portfolio of HK$138,772 million and the Hong Kong portfolio of HK$64,123 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$1,166 million was recorded (2024: loss of HK$1,197 million).

The Mainland portfolio recorded a revaluation loss of HK$867 million (2024: loss of HK$851 million), representing less than 1% of the portfolio value as of December 31, 2024.

The Hong Kong portfolio had a revaluation loss of HK$299 million (2024: loss of HK$346 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$1,037 million was reported (2024: net revaluation loss of HK$714 million).

PROPERTY DEVELOPMENT

The aggregated values of our projects under development for leasing and sales as of December 31, 2025, 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.

Kimpton Xujiahui Shanghai, a luxury boutique brand under InterContinental Hotels Group, has been introduced as part of Grand Gateway 66's ongoing revitalization project. The hotel, with 149 rooms, is scheduled to open in 2027, with renovation work currently underway.

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

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

For debt portfolio management, we focus on 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	**3,811**	*56%*	8,415	*78%*
RMB	**2,980**	*44%*	2,400	*22%*
USD	**1**	-	2	-
Total cash and bank balances	**6,792**	*100%*	10,817	*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$54,837 million (December 31, 2024: HK$57,794 million), of which 46% 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 41% of total borrowings as of December 31, 2025. After excluding the onshore floating-rate debts, the fixed-rate borrowings would comprise 59% of total offshore borrowings as of December 31, 2025 (December 31, 2024: 55%).

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	**29,598**	*54%*	37,123	*64%*
RMB	**25,239**	*46%*	20,671	*36%*
Total borrowings	**54,837**	*100%*	57,794	*100%*

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

	At December 31, 2025		At December 31, 2024	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Fixed	**22,418**	*41%*	23,725	*41%*
Floating	**32,419**	*59%*	34,069	*59%*
Total borrowings	**54,837**	*100%*	57,794	*100%*

- *Gearing Ratios*

At the balance sheet date, the net debt balance amounted to HK$48,045 million (December 31, 2024: HK$46,977 million). The net debt to equity ratio was 30.9% (December 31, 2024: 30.8%), and the debt to equity ratio was 35.3% (December 31, 2024: 37.9%).

- *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.

	At December 31, 2025		At December 31, 2024	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Repayable:				
Within 1 year	**4,913**	*9%*	9,340	*16%*
After 1 but within 2 years	**16,868**	*31%*	10,859	*19%*
After 2 but within 5 years	**29,250**	*53%*	33,713	*58%*
Over 5 years	**3,806**	*7%*	3,882	*7%*
Total borrowings	**54,837**	*100%*	57,794	*100%*

As of December 31, 2025, the total undrawn committed banking facilities amounted to HK$22,739 million (December 31, 2024: HK$13,955 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 7% to HK$1,975 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$950 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 3.2 times (2024: 3.0 times).

- *Foreign Exchange Management*

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

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

As of December 31, 2025, net assets denominated in RMB accounted for approximately 68% 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$2,496 million (2024: loss of HK$2,269 million), recognized in other comprehensive income.

CHARGE OF ASSETS

None of the Group’s 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$7,223 million (2024: HK$13,355 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 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.

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 60% 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

Although global economic conditions remain challenged by high tariffs and the ongoing China–U.S. trade tensions, expectations of further interest rate reductions and improving consumer sentiment are supporting signs of stabilization within the retail sector. We will continue to maintain vigilance and agility in managing risks while capturing emerging growth opportunities.

In the Mainland, the retail leasing market is expected to show gradual improvement in 2026, especially in prime destinations. By enhancing our tenant mix, implementing targeted marketing initiatives, and advancing asset enhancement programs, we have strengthened occupancy and footfall, setting a solid foundation for recovery despite continued softness in luxury spending. As retail continues to evolve toward value-driven spending and experiential "placemaking", we commit to leveraging these shifts for growth. In celebration of Hang Lung's 66th anniversary in 2026, we plan to elevate the "66" brand through a series of marketing initiatives across our Mainland portfolio, aimed at reinforcing the brand's legacy and foundation and fostering deeper connections and engagement with customers. Westlake 66 will serve as a key growth driver, with more than 90% of retail space already secured. Over the medium term, rental growth will be supported by Westlake 66, the Plaza 66 Pavilion Extension, and the Hang Lung V.3 expansion initiatives as they reach full operation, broadening our experiential retail offerings and capturing emerging consumer trends.

With elevated vacancies, ongoing rental pressures, and relatively weak demand, office leasing fundamentals are projected to remain subdued in 2026. Notwithstanding these conditions, the Group's portfolio of strategically positioned Grade A office assets, together with our disciplined tenant acquisition strategy targeting premium domestic and multinational tenants, is expected to support occupancy performance that surpasses overall market averages.

In Hong Kong, retail rents are expected to demonstrate greater stability, supported by mega-events driving visitor arrivals and by a continued evolution in the tenant mix toward experiential, food and beverage, and lifestyle offerings. Office leasing conditions remain challenging, with limited near-term rental growth and ongoing requirements for selective concessions and incentives. Nonetheless, incremental demand from professional services, and prudent leasing strategies, are expected to sustain occupancy levels, with potential upside if overall sentiment improves.

For property sales, our approach in 2026 is expected to emphasize prudent pricing, phased releases, and superior product quality, given the sensitivity to policy developments and buyer sentiment in both the Mainland and Hong Kong. Our unwavering commitment to quality and premium management services differentiates us from our peers and positions us to capture demands from discerning buyers as market conditions recover.

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 government initiatives such as urban renewal, domestic consumption stimulation, and the integrated development of culture, sports, and tourism—reinforce 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)

				For information purpose only	
	Note	**2025 HK$ Million**	2024 HK$ Million	**2025 RMB Million**	2024 RMB Million
Revenue	2(a)	**10,414**	11,760	**9,566**	10,788
Direct costs and operating expenses		**(3,578)**	(4,934)	**(3,286)**	(4,538)
		6,836	6,826	**6,280**	6,250
Other net income	3	**46**	25	**42**	23
Administrative expenses		**(677)**	(672)	**(624)**	(620)
Profit from operations before changes in fair value of properties		**6,205**	6,179	**5,698**	5,653
Decrease in fair value of properties		**(1,166)**	(1,197)	**(1,060)**	(1,105)
Profit from operations after changes in fair value of properties		**5,039**	4,982	**4,638**	4,548
Interest income		**41**	60	**37**	55
Finance costs		**(991)**	(947)	**(914)**	(873)
Net interest expense	4	**(950)**	(887)	**(877)**	(818)
Share of profits of joint ventures		**48**	157	**46**	146
Profit before taxation	5	**4,137**	4,252	**3,807**	3,876
Taxation	6	**(1,683)**	(1,416)	**(1,544)**	(1,294)
Profit for the year	2(b)	**2,454**	2,836	**2,263**	2,582
Attributable to:					
Shareholders		**1,370**	1,613	**1,265**	1,467
Non-controlling interests		**1,084**	1,223	**998**	1,115
Profit for the year		**2,454**	2,836	**2,263**	2,582
Earnings per share	8(a)				
Basic		**HK$1.01**	HK$1.18	**RMB0.93**	RMB1.08
Diluted		**HK$1.01**	HK$1.18	**RMB0.93**	RMB1.08

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

	2025 HK$ Million	2024 HK$ Million	*For information purpose only* **2025 RMB Million**	2024 RMB Million
Profit for the year	**2,454**	2,836	**2,263**	2,582
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	**2,835**	(2,417)	**(2,089)**	1,454
(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	**2,390**	(2,218)	**(2,188)**	1,501
Total comprehensive income for the year	**4,844**	618	**75**	4,083
Attributable to:				
Shareholders	**2,808**	282	**(231)**	2,445
Non-controlling interests	**2,036**	336	**306**	1,638
Total comprehensive income for the year	**4,844**	618	**75**	4,083

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

				For information purpose only	
	Note	**2025 HK$ Million**	2024 HK$ Million	**2025 RMB Million**	2024 RMB Million
Non-current assets					
Investment properties	9	**175,536**	174,558	**158,263**	162,698
Investment properties under development	9	**27,359**	24,001	**24,711**	22,226
Property, plant and equipment		**3,567**	2,838	**3,222**	2,630
Interests in joint ventures		**4,377**	4,456	**3,934**	4,199
Other assets		**1,431**	1,434	**1,286**	1,351
Deferred tax assets		**157**	143	**142**	135
		212,427	207,430	**191,558**	193,239
Current assets					
Cash and deposits with banks		**6,792**	10,817	**6,117**	10,153
Trade and other receivables	10	**2,720**	3,211	**2,454**	2,994
Properties for sale		**14,293**	13,510	**12,880**	12,623
		23,805	27,538	**21,451**	25,770
Current liabilities					
Bank loans and other borrowings		**4,913**	9,340	**4,429**	8,749
Trade and other payables	11	**10,064**	9,189	**9,078**	8,550
Lease liabilities		**26**	23	**23**	21
Current tax payable		**335**	314	**302**	292
		15,338	18,866	**13,832**	17,612
Net current assets		**8,467**	8,672	**7,619**	8,158
Total assets less current liabilities		**220,894**	216,102	**199,177**	201,397
Non-current liabilities					
Bank loans and other borrowings		**49,924**	48,454	**44,932**	45,471
Lease liabilities		**254**	240	**229**	222
Deferred tax liabilities		**15,449**	14,720	**13,951**	13,642
		65,627	63,414	**59,112**	59,335
NET ASSETS		**155,267**	152,688	**140,065**	142,062
Capital and reserves					
Share capital		**4,065**	4,065	**3,164**	3,164
Reserves		**94,816**	91,711	**86,019**	85,987
Shareholders' equity		**98,881**	95,776	**89,183**	89,151
Non-controlling interests		**56,386**	56,912	**50,882**	52,911
TOTAL EQUITY		**155,267**	152,688	**140,065**	142,062

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 Group Limited (the "Company") and its subsidiaries (collectively the "Group") for those years but is derived from those consolidated financial statements in accordance with section 436 of the Hong Kong Companies Ordinance (Cap.622). The Company has delivered the consolidated financial statements for the year ended December 31, 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	**-**	**-**	**-**	**8,625**	**8,625**
Hotel revenue	**107**	**190**	**297**	**-**	**297**
Sales of completed properties	**264**	**-**	**264**	**-**	**264**
Building management fees and other income from property leasing	**-**	**1,228**	**1,228**	**-**	**1,228**
	371	**1,418**	**1,789**	**8,625**	**10,414**

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

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	**6,757**	**297**	**59**	**7,113**	6,851	189	56	7,096
- Hong Kong	**3,096**	**-**	**205**	**3,301**	3,182	-	1,482	4,664
	9,853	**297**	**264**	**10,414**	10,033	189	1,538	11,760
Profit/(loss) from operations before changes in fair value of properties								
- Chinese Mainland	**4,138**	**(34)**	**(51)**	**4,053**	4,245	(63)	(197)	3,985
- Hong Kong	**2,175**	**-**	**(23)**	**2,152**	2,242	-	(48)	2,194
	6,313	**(34)**	**(74)**	**6,205**	6,487	(63)	(245)	6,179
Decrease in fair value of properties	**(1,166)**	**-**	**-**	**(1,166)**	(1,197)	-	-	(1,197)
- Chinese Mainland	**(867)**	**-**	**-**	**(867)**	(851)	-	-	(851)
- Hong Kong	**(299)**	**-**	**-**	**(299)**	(346)	-	-	(346)
Net interest expense	**(904)**	**(46)**	**-**	**(950)**	(854)	(33)	-	(887)
- Interest income	**39**	**2**	**-**	**41**	58	2	-	60
- Finance costs	**(943)**	**(48)**	**-**	**(991)**	(912)	(35)	-	(947)
Share of profits/(losses) of joint ventures	**70**	**(22)**	**-**	**48**	182	(25)	-	157
Profit/(loss) before taxation	**4,313**	**(102)**	**(74)**	**4,137**	4,618	(121)	(245)	4,252
Taxation	**(1,681)**	**-**	**(2)**	**(1,683)**	(1,397)	-	(19)	(1,416)
Profit/(loss) for the year	**2,632**	**(102)**	**(76)**	**2,454**	3,221	(121)	(264)	2,836
Net profit/(loss) attributable to shareholders	**1,492**	**(73)**	**(49)**	**1,370**	1,862	(84)	(165)	1,613

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	**141,056**	**3,299**	**7,434**	**151,789**	136,440	2,544	6,640	145,624
Hong Kong	**64,488**	**-**	**7,198**	**71,686**	64,577	-	7,917	72,494
	205,544	**3,299**	**14,632**	**223,475**	201,017	2,544	14,557	218,118
Interests in joint ventures				**4,377**				4,456
Other assets				**1,431**				1,434
Deferred tax assets				**157**				143
Cash and deposits with banks				**6,792**				10,817
				236,232				234,968

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	**2**	1
	46	25

4. NET INTEREST EXPENSE

HK$ Million	**2025**	2024
Interest income on bank deposits	**41**	60
Interest expense on bank loans and other borrowings	**1,832**	2,016
Interest on lease liabilities	**13**	13
Other borrowing costs	**130**	101
Total borrowing costs	**1,975**	2,130
Less: Borrowing costs capitalized	**(984)**	(1,183)
Finance costs	**991**	947
Net interest expense	**(950)**	(887)

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)	**1,514**	1,556
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$1,805 million (2024: HK$1,860 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	**249**	260
Under-provision in prior years	**4**	5
	253	265
Chinese Mainland Income Tax	**1,046**	1,084
Chinese Mainland LAT	**2**	-
Total current tax	**1,301**	1,349
Deferred tax		
Changes in fair value of properties	**282**	(44)
Other origination and reversal of temporary differences	**100**	111
Total deferred tax	**382**	67
Total income tax expense	**1,683**	1,416

7. DIVIDENDS

(a) Dividends attributable to the year

HK$ Million	**2025**	2024
Interim dividend declared and paid of HK21 cents (2024: HK21 cents) per share	**286**	286
Final dividend of HK65 cents (2024: HK65 cents) per share proposed after the end of the reporting period	**885**	885
	1,171	1,171

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

(b) The final dividend of HK$885 million (calculated based on HK65 cents per share and the total number of issued shares as of the dividend pay-out date) for the year ended December 31, 2024 was approved and paid in the year ended December 31, 2025 (2024: HK$885 million).

8. EARNINGS PER SHARE

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

HK$ Million	**2025**	2024
Net profit attributable to shareholders	**1,370**	1,613

	Number of shares	
	2025	2024
Weighted average number of shares used in calculating basic and diluted earnings per share (Note)	**1,361,618,242**	1,361,618,242

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

8. EARNINGS PER SHARE (Continued)

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

HK$ Million	**2025**	2024
Net profit attributable to shareholders	**1,370**	1,613
Effect of changes in fair value of properties	**1,166**	1,197
Effect of income tax for changes in fair value of properties	**282**	(44)
Effect of changes in fair value of investment properties of joint ventures	**85**	(39)
	1,533	1,114
Non-controlling interests	**(496)**	(400)
	1,037	714
Underlying net profit attributable to shareholders	**2,407**	2,327

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

	2025	2024
Basic	**HK$1.77**	HK$1.71
Diluted	**HK$1.77**	HK$1.71

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$2,652 million (2024: HK$3,773 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	**166**	166
1 – 3 months past due	**10**	16
More than 3 months past due	**3**	2
	179	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

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

HK$ Million	**2025**	2024
Due within 3 months	**1,175**	1,404
Due after 3 months	**2,874**	2,660
	4,049	4,064

OTHER INFORMATION

Employees

As of December 31, 2025, the number of employees was 4,595 (comprising 912 Hong Kong employees and 3,683 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 Group also has a share option scheme and provides professional and high-quality training for employees.

Purchase, Sale or Redemption of Listed Securities

During the year ended December 31, 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. The Group's consolidated financial statements have been audited by the Company's auditor, KPMG, and it has issued an unmodified opinion.

Book Close Dates

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

Book close dates (both days inclusive)	April 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 Directors: Mr. Gerald L. CHAN, Mr. George K.K. CHANG and Mr. Roy Y.C. CHEN
Independent Non-Executive Directors: Mr. Simon S.O. IP, Prof. P.W. LIU, Prof. L.C. TSUI, Mr. Martin C.K. LIAO and Ms. May S.B. TAN

GLOSSARY

Financial Terms

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

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

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

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

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

Financial Ratios

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

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

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

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

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

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