恒基兆業地產
HENDERSON LAND
50 years

恒基兆業地產有限公司
HENDERSON LAND DEVELOPMENT COMPANY LIMITED
Incorporated in Hong Kong with limited liability
(Stock Code : 12)

2026 INTERIM RESULTS ANNOUNCEMENT

CHAIRMEN'S STATEMENT

INTERIM RESULTS AND DIVIDEND

The Group's (unaudited) underlying profit attributable to equity shareholders for the six months ended 30 June 2026 amounted to HK$5,071 million, representing an increase of HK$2,023 million or 66% from HK$3,048 million for the same period last year. The underlying earnings per share was HK$1.05 (2025: HK$0.63). The increase in underlying profit was mainly attributable to a substantial increase in profit contribution from local property sales during the period, together with the attributable gain from the Government's resumption of certain land lots in the New Territories.

During the first half of 2026, the Group recorded a fair value loss of HK$981 million (2025: HK$140 million) after revaluation of the Group's completed investment properties and investment properties under development. This included the adjustments of cumulative changes in the fair value of disposed investment properties. After taking into account the fair value loss, the reported profit attributable to equity shareholders for the six months ended 30 June 2026 was HK$4,090 million, representing an increase of HK$1,182 million or 41% from HK$2,908 million for the same period last year. The reported earnings per share was HK$0.84 (2025: HK$0.60).

The Board has declared an interim dividend of HK$0.5 per share (2025: HK$0.5 per share) to shareholders whose names appear on the Register of Members of the Company on the record date, being Tuesday, 8 September 2026, and such interim dividend will not be subject to any withholding tax in Hong Kong.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed on Monday, 7 September 2026 and Tuesday, 8 September 2026, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 4 September 2026. The interim dividend will be distributed to shareholders on Thursday, 17 September 2026.

BUSINESS REVIEW

Hong Kong

Property Sales

Despite the outbreak of war in the Middle East in the first quarter of 2026, which added uncertainties to the global economy, Hong Kong continued to attract a substantial number of enterprises for initial public offerings and capital raising, reinforcing its status as an international financial centre. In addition, under the policy initiatives of the HKSAR Government, the increase in incoming talents and international students further boosted housing demand, thereby sustaining the positive momentum in the local property market. However, the Central Government subsequently tightened capital outflow controls, resulting in a slowdown in the real estate sector toward the end of the period.

During the first half of 2026, the Group's attributable revenue from property development in Hong Kong amounted to approximately HK$11,878 million, representing a substantial increase of 212% compared with the same period last year. The Group's attributable reported profit before taxation from property development in Hong Kong amounted to approximately HK$3,300 million (2025: HK$310 million), which included a pre-tax gain of approximately HK$1,568 million (2025: HK$240 million) from the Government's resumption of certain land lots in the New Territories during the period.

During the first half of 2026, the Group successfully capitalised on favourable market conditions to launch a number of urban projects for sales, including Chester and One Victoria Cove (Phases 1, 3 and 4) in Hung Hom, Highwood (Phase 2) in Ma Tau Kok and Victoria Voyage (Phase 2B) in Kai Tak. Among these, over 90% of the residential units at Chester in Hung Hom had been sold by the end of the reporting period. One Victoria Cove in Hung Hom was also well received, with all 468 residential units available in the first three rounds of sale fully sold on the first day of launch. Together with the sales of previously launched projects, including The Legacy in Mid-Levels West, as well as some other properties (including car parking spaces), the Group's attributable contracted sales in Hong Kong for the six months ended 30 June 2026 amounted to approximately HK$18,118 million, representing a substantial increase of 188% compared with the same period last year.

At the end of June 2026, attributable contracted sales of approximately HK$17,061 million had yet to be recognised as revenue in the accounts. Of this amount, approximately HK$6,365 million is expected to be recognised in the second half of 2026 upon completion of the relevant developments and handover of the completed units to buyers.

Property Development

As regards the Group's urban redevelopment projects, a total gross floor area of approximately 0.3 million square feet attributable to the Group has been earmarked for sales launch in the second half of 2026. In addition, urban redevelopment projects for which the Group has acquired 100% ownership interest or which have met the relevant compulsory sale application threshold are expected to provide an additional attributable gross floor area of approximately 1.5 million square feet, to be launched for sale or lease in 2027 or beyond.

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

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

			Saleable/gross floor area attributable to the Group (million sq. ft.) *(Note 1)*	Remarks
(A)	**Projects available for sale in the second half of 2026**			
1.	Unsold units of major development projects offered for sale	(Table 1)	1.3	
2.	Projects to be launched for sale in the second half of 2026	(Table 2)	0.6	
		Sub-total:	**1.9**	
(B)	**Projects in Urban Areas**			
3.	Urban Redevelopment Projects			
	3.1 with 100% ownership interest acquired or the relevant compulsory sale application threshold has been met	(Table 3)	1.5	
	3.2 with more than 20% ownership interest acquired, but the relevant compulsory sale application threshold has not been met	(Table 4)	0.7	Redevelopment is subject to the successful acquisition of 100% ownership interest
4.	Central Yards Site 3 of New Central Harbourfront		1.6	To be held for rental purposes upon completion
5.	Yau Tong Bay project		0.9	*(Note 2)*
6.	Others		0.1	
		Sub-total:	**4.8**	
(C)	**Projects in the New Territories**			
7.	Area 34B, Hung Shui Kiu/Ha Tsuen New Development Area		0.6	
8.	Hung Shui Kiu projects		1.4	*(Note 2)*
9.	Others		0.4	*(Note 2)*
		Sub-total:	**2.4**	
		Total:	**9.1**	

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

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

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

There are 26 major development projects with unsold units:

	Project name and location	Gross floor area (sq. ft.)	Type of development	As at 30 June 2026 No. of unsold residential units	Saleable area of unsold units (sq. ft.)	Interest of the Group (%)	Saleable area of unsold units attributable to the Group (sq. ft.)
1.	The Legacy 8 Castle Road Mid-Levels	472,067	Residential	130	303,070	65.00	196,996
2.	Victoria Voyage (Phases 1A, 1B and 2B) 18 Shing Fung Road Kai Tak	995,138	Commercial/ Residential/ Government facilities	1,298	553,387	30.00	166,016
3.	The Henley 7 Muk Tai Street Kai Tak	654,602	Commercial/ Residential	229	137,116	100.00	137,116
4.	Henley Park 8 Muk Tai Street Kai Tak	397,967	Residential	239	126,688	100.00	126,688
5.	Miami Quay 23 Shing Fung Road Kai Tak	574,614	Residential	696	276,879	29.30	81,126
6.	Eden Manor 88 Castle Peak Road Kwu Tung	555,399	Residential	50	60,781	100.00	60,781
7.	One Victoria Cove (Phases 1, 3 and 4) 1 Bailey Street Hung Hom	536,882	Commercial/ Residential	258	106,566	50.00	53,283
8.	Highwood 70 To Kwa Wan Road Ma Tau Kok	382,182	Commercial/ Residential	136	52,136	100.00	52,136
9.	Double Coast (Phases 1 and 3) 19 Shing Fung Road Kai Tak	432,458	Residential	323	140,200	30.00	42,060
10.	The Knightsbridge 22 Shing Fung Road Kai Tak	641,165	Commercial/ Residential	259	176,014	18.00	31,683
11.	One Innovale 8 Ma Sik Road, Fanling	612,685	Residential	57	30,658	100.00	30,658

12.	woodis 15 Wood Road Wan Chai	86,557	Commercial/ Residential	62	25,485	100.00	25,485
13.	The Harmonie 233 Castle Peak Road Cheung Sha Wan	159,748	Commercial/ Residential	54 *(Note 1)*	18,888 *(Note 1)*	100.00	18,888 *(Note 1)*
14.	Wellesley 23 Robinson Road Mid-Levels West	156,900 *(Note 2)*	Residential	20	35,459	50.00 *(Note 2)*	17,730
15.	Baker Circle One (Phases 1-3) 38 Gillies Avenue South, 33 Whampoa Street and 18 Bulkeley Street Hung Hom	339,993	Commercial/ Residential	59	14,889	100.00	14,889
16.	Chester 8 Whampoa Street Hung Hom	134,874	Commercial/ Residential	24	11,331	100.00	11,331
17.	The Upper South 71 Main Street Ap Lei Chau	40,318	Commercial/ Residential	47	9,509	100.00	9,509
18.	The Hampstead Reach 8 Ping Kin Lane Yuen Long	27,868	Residential	3	5,427	100.00	5,427
19.	The Royale 8 Castle Peak Road - Castle Peak Bay Tuen Mun	663,062	Residential	33	23,275	16.95	3,946
20.	South Walk•Aura 12 Tin Wan Street Aberdeen	37,550	Commercial/ Residential	14	3,443	100.00	3,443
21.	The Haddon 1 Whampoa Street Hung Hom	186,539	Commercial/ Residential	7	2,676	100.00	2,676
22.	Eight Southpark 8 Nam Kok Road Ma Tau Kok	117,994	Commercial/ Residential	13	3,495	76.468	2,673
23.	The Addition 350 Un Chau Street Cheung Sha Wan	79,903	Commercial/ Residential	7	2,536	100.00	2,536
24.	Global Gateway Tower 61A-61E and 63 Wing Hong Street Cheung Sha Wan	336,052	Industrial	Not applicable	75,693 *(Note 3)*	100.00	75,693 *(Note 3)*
25.	E-Trade Plaza 24 Lee Chung Street Chai Wan	173,850	Office	Not applicable	57,400 *(Note 3)*	100.00	57,400 *(Note 3)*

26.	Mega Cube 8 Wang Kwong Road Kowloon Bay	171,194	Office	Not applicable	48,622 *(Note 3)*	100.00	48,622 *(Note 3)*
			Total:	**4,018**	**2,301,623**		**1,278,791**

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

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

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

(Table 2) Projects to be launched for sale in the second half of 2026

The following projects will be launched for sale in the second half of 2026, unless the launch is delayed due to unforeseen circumstances:

	Project name and location	Gross floor area (sq. ft.)	Type of development	No. of residential units	Gross floor area of residential units (sq. ft.)	Interest of the Group (%)	Gross floor area of residential units attributable to the Group (sq. ft.)
1.	Parkwood 3 Mei Sun Lane Tai Po	49,077	Commercial/ Residential	122	36,097 *(Note)*	100.00	36,097 *(Note)*
2.	North Innovale 25 Heung Tsz Road Kwu Tung North (formerly known as project at Fanling Sheung Shui Town Lot No. 263 Kwu Tung)	339,066	Commercial/ Residential	682	282,555	90.10	254,582
3.	Chester II 28 Whampoa Street Hung Hom	124,526	Commercial/ Residential	263	104,760	100.00	104,760
4.	One Victoria Cove (Phase 2) 1 Bailey Street Hung Hom	180,582	Commercial/ Residential	384	172,044	50.00	86,022
5.	18 Man On Street Mong Kok	57,763	Commercial/ Residential	126	52,343	100.00	52,343
6.	33 Elgin Street Central	42,571	Commercial/ Residential	92	40,991	100.00	40,991
7.	16-20 Temple Street Yau Ma Tei	22,346	Commercial/ Residential	48	21,230	100.00	21,230
8.	29A Lugard Road The Peak	11,703	Residential	1	11,703	100.00	11,703
			Total:	**1,718**	**721,723**		**607,728**

Note : Representing the saleable area of the residential units.

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

As regards urban redevelopment projects, there are a number of projects with 100% ownership acquired or which have met the relevant compulsory sale application threshold. Based on the general building plans approved by the Buildings Department or the Government's current town planning parameters, the expected gross floor area attributable to the Group of those projects is as follows:

	With 100% ownership interest acquired		With less than 100% ownership interest but the relevant compulsory sale application threshold has been met*		
By District	**Site area attributable to the Group (sq. ft.)**	**Expected gross floor area attributable to the Group upon completion of the redevelopment project (sq. ft.)**	**Site area attributable to the Group (sq. ft.)**	**Expected gross floor area attributable to the Group upon completion of the redevelopment project (sq. ft.)**	**Total expected gross floor area attributable to the Group (sq. ft.)**
Hong Kong					
1. Mid-Levels	64,294	346,060	6,212	31,060	377,120
2. Causeway Bay	4,497	46,931	2,019	18,171	65,102
3. Aberdeen	4,950	42,075	2,868	25,506	67,581
4. Quarry Bay	21,941	227,651			227,651
Sub-total:	**95,682**	**662,717**	**11,099**	**74,737**	**737,454**
Kowloon					
5. Tsim Sha Tsui	12,283	147,394			147,394
6. Hung Hom	31,443	286,734			286,734 *(Note 1)*
7. Tai Kok Tsui	18,545	166,696			166,696 *(Note 2)*
8. Ho Man Tin	4,882	39,595			39,595
9. Cheung Sha Wan	6,510	58,590			58,590 *(Note 3)*
10. Kowloon City	10,954	97,231			97,231
Sub-total:	**84,617**	**796,240**	**0**	**0**	**796,240**
Total:	**180,299**	**1,458,957**	**11,099**	**74,737**	**1,533,694**

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

Note 1: Part of an urban renewal plan with a total gross floor area of more than 1 million square feet, of which approximately 800,000 square feet is attributable to projects (namely, Baker Circle•Dover, Baker Circle•Euston, Baker Circle•Greenwich, The Haddon, Chester and Chester II) which have been launched for sale or are proposed to be launched for sale in the second half of 2026.

Note 2: Part of an urban renewal plan with a total gross floor area of more than 1 million square feet, of which approximately 920,000 square feet is attributable to projects (namely, Eltanin•Square Mile, Cetus•Square Mile, Aquila•Square Mile, The Quinn•Square Mile, Gateway•Square Mile and the project at Man On Street) which have been launched for sale or are proposed to be launched for sale in the second half of 2026.

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

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

There are other redevelopment projects in various urban districts where acquisition of units in existing buildings is ongoing. At present, more than 20% ownership interest of each project has been acquired, but the relevant compulsory sale application threshold has not yet been met. If the remaining interests are acquired, the sites will be redeveloped and upon completion, based on the Government's current town planning parameters, the total gross floor area attributable to the Group will be approximately 1,770,000 square feet. Based on the Group's undivided shares in the lots, the total gross floor area attributable to the Group is approximately 650,000 square feet. However, these redevelopment projects are subject to the successful acquisition of the remaining interests in the relevant lots, which remains uncertain.

Land Bank

As at 30 June 2026, the Group's land bank in Hong Kong amounted to approximately 20.3 million square feet of gross floor area attributable to the Group, which comprised the following:

		Gross floor area attributable to the Group (million sq. ft.)
Projects pending sale or pending/under development *(Note)*		7.8
Unsold units of major development projects offered for sale		1.3
	Sub-total:	**9.1**
Completed investment properties (including hotels)		11.2
	Total:	**20.3**

Note: The above includes plots in Hung Shui Kiu and other project sites with a total developable area of approximately 1.8 million square feet attributable to the Group which will be confirmed after reaching an agreement with the Government on the amount of land premium payable.

Urban Areas Land Bank

In addition to projects scheduled for sales launch as described above, urban redevelopment projects for which the Group has acquired 100% ownership interest or which have met the relevant compulsory sale application threshold are expected to provide a total gross floor area of approximately 1.5 million square feet attributable to the Group, to be launched for sale or lease in 2027 and beyond.

For the urban redevelopment project in Hung Hom, the Group has completed the acquisition of all remaining ownership interests of the projects spanning Whampoa Street and Baker Street. As for Central Yards, the Group's flagship project on the New Central Harbourfront, the main contract works are in progress. This mixed-use project will offer over 700,000 square feet of premium office and ancillary space, featuring the largest office floorplate in Central, designed for modern headquarters and innovation-driven financial institutions. It will also offer 900,000 square feet of retail space, featuring the city's one-and-only private Broadway-calibre theatre with seating for over 1,100 guests. In addition, the project provides over 300,000 square feet of green recreational space, including a rooftop sky garden for public enjoyment. Its Phase 1 shopping and office spaces are scheduled for completion in the fourth quarter of 2026, while Phase 2 is scheduled for completion in 2032. This project is poised to become a global harbourfront icon, offering an integrated mix of retail, business, culture, arts, nature and entertainment, transforming the cityscape of Hong Kong. This development has attained the highest standards of world-class green and smart building certifications, including BEAM Plus for New Buildings and Neighbourhood, Leadership in Energy and Environmental Design (LEED), WELL, WiredScore and SmartScore.

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

New Territories Land Bank

During the first half of 2026, land lots with a total site area of approximately 2,250,000 square feet attributable to the Group in Hung Shui Kiu/Ha Tsuen New Development Area and San Tin have been gazetted by the Government for resumption for public use, with cash compensation of approximately HK$2,349 million. As at 30 June 2026, excluding the aforementioned land gazetted for resumption, the Group's land bank in the New Territories amounted to approximately 38.4 million square feet, continuing to represent the largest holding among property developers in Hong Kong:

By District	Site area attributable to the Group (million sq. ft.)
Yuen Long District	22.0
North District	12.5
Tai Po District	3.4
Tuen Mun District and others	0.5
Total:	**38.4**

In Hung Shui Kiu/Ha Tsuen New Development Area, following the successful completion of an in-situ land exchange last year, the Group, in conjunction with another developer, continued to pursue in-situ land exchange applications for the remaining four commercial sites. As for two of these sites, applications have been submitted to the Town Planning Board to convert part of the gross floor area to residential use. If approved and upon successful completion of all in-situ land exchange formalities by the deadline of 31 December 2026, these sites will provide the Group with an attributable gross floor area of approximately 1.4 million square feet for commercial and residential uses. The other two sites were resumed by the Government for further development during the period, in support of its latest plan to construct a University Town in the district. In the 2025 Policy Address, the Chief Executive introduced several measures to accelerate the development of the Northern Metropolis. Among these, the Northern Metropolis Development Bill will be introduced into the Legislative Council for scrutiny and passage. It is anticipated that various existing measures and procedures will be streamlined to achieve the Government's development objective of "enhancing speed and efficiency". The Government has also announced the details and arrangements for the "pay for what you build" mechanism. The Group is actively studying the feasibility of completing the in-situ land exchanges through this mechanism to reduce the cost of land premiums. Apart from the land lots designated for exchange as mentioned above, the Group's land bank in Hung Shui Kiu/Ha Tsuen amounted to approximately 2.21 million square feet.

In 2020, the Government announced specific criteria under the implementation framework for its Land Sharing Pilot Scheme. In order to align with the Government's policy to satisfy the keen housing demand, the Group, after reviewing its land holdings in the New Territories, submitted an application to the relevant authority under this scheme in conjunction with another developer. The project is located in Lam Tsuen, Tai Po, covering a site area of about 2 million square feet or 19.3 hectares, slightly larger than Victoria Park in Hong Kong. The project aims to offer 30% (3,636 units) for private housing and 70% (8,484 units) for public housing. In November 2022, the project received support from an advisory group and was agreed in principle by the Executive Council. The project is currently undergoing rezoning. The Group hopes that by participating in this scheme, it can make more efficient use of land resources and expedite the release of potential value.

In October 2021, the Government promulgated the Northern Metropolis Development Strategy proposing to develop the Northern Metropolis into an international innovation and technology hub. It will include the comprehensive San Tin Technopole, which comprises the Hong Kong-Shenzhen Innovation and Technology Park at the Loop and the area around San Tin/Lok Ma Chau. The Government further promulgated the North Metropolis Action Agenda 2023 in October 2023 which included the Technopole as part of the Innovation and Technology Zone. According to the draft San Tin Technopole Outline Zoning Plan, approved by the Chief Executive in Council in September 2024, the Government will resume land from developers for innovation and technology use. In June 2026, the Government announced the resumption of land for the development of San Tin Technopole (Phase 1) (Second Batch). Excluding the land lots resumed by the Government, the Group's land bank in San Tin within the Northern Metropolis currently amounts to approximately 3.65 million square feet.

In addition, the Government released its development proposal for Ngau Tam Mei, which is adjacent to San Tin, in November 2024. The related public engagement activities were completed in 2025. In early 2026, the Group applied to the Government for in-situ land exchanges for three land lots within this area, with a combined total site area of approximately 760,000 square feet. Upon completion of the land exchange, these sites will in aggregate provide a total gross floor area of approximately 4.94 million square feet. However, the application remains subject to government response. Apart from the land lots designated for exchange as mentioned above, the Group holds a land bank of approximately 3.89 million square feet in Ngau Tam Mei.

Investment Properties

For the six months ended 30 June 2026, the gross rental income in Hong Kong attributable to the Group (including gross rental income attributable to subsidiaries, associates and joint ventures) increased by 3% year on year to HK$3,517 million. The corresponding net rental income before taxation attributable to the Group increased by 4% year on year to HK$2,593 million. For the International Finance Centre ("ifc") project, in which the Group has a 40.77% interest, the gross rental income attributable to the Group was HK$837 million, representing a year-on-year increase of 4%.

As at 30 June 2026, the average leasing rate for the Group's major investment properties was 94%.

As at 30 June 2026, the completed investment property portfolio attributable to the Group in Hong Kong amounted to approximately 10.7 million square feet, the details of which are as follows:

By type		**Gross floor area attributable to the Group (million sq. ft.)**	**Percentage (%)**
Shopping arcade or retail		5.8	54
Office		4.2	39
Industrial		0.2	2
Residential and hotel apartment		0.5	5
	Total:	**10.7** *(Note)*	**100**

By geographical area		**Gross floor area attributable to the Group (million sq. ft.)**	**Percentage (%)**
Hong Kong Island		3.0	28
Kowloon		3.6	34
New Territories		4.1	38
	Total:	**10.7**	**100**

Note: The Group held an additional attributable gross floor area of approximately 500,000 square feet of hotels, along with approximately 9,000 car parking spaces.

Retail portfolio

According to the Government's Census and Statistics Department, the value of total retail sales in Hong Kong for the first half of 2026 increased by 9.6% year on year, driven by an increase in visitor arrivals and a recovery in local consumer sentiment. Hence, the overall occupancy rate for the Group's retail portfolio remained consistently high and most shopping malls reported growth in both visitor traffic and tenant sales.

During the period, the Group formulated tailor-made asset enhancement strategies based on the uniqueness of each mall, with an aim to enhance distinctiveness and enrich shopper experience. MCP in Tsueng Kwan O, the 1,000,000-square-foot shopping mall atop an MTR station, was repositioned as a "sportainment" hub and a series of vibrant promotional campaigns were launched accordingly. MOSTown in Ma On Shan introduced various pet-friendly facilities and trendy athleisure brands to align with its modern lifestyle concept. Trend Plaza in Tuen Mun strengthened localised engagement with shoppers through stores featuring local characteristics and themed dining venues. The aforementioned malls were awarded "Entertainment Mall of the Year – Hong Kong", "Lifestyle Mall of the Year – Hong Kong" and "Mall Initiative of the Year – Hong Kong", respectively, at the Retail Asia Awards 2026. Furthermore, the Group secured multiple awards at the Marketing Events Awards Hong Kong 2026, underscoring its outstanding performance in enhancing the competitiveness of its shopping malls in Hong Kong.

The Group's two large-scale urban redevelopment projects in Tai Kok Tsui and Hung Hom are being completed in phases, providing a total retail floor area of approximately 163,000 and 168,000 square feet, respectively. Both shopping complexes will feature a curated mix of innovative retail concepts, trendy sports brands and selected dining outlets to cater to the demands of modern consumers. Upon completion, these projects are expected to further enhance the Group's recurring rental income.

Office portfolio

During the first half of 2026, the flight-to-quality trend among tenants in the finance, insurance and legal sectors drove the vacancy rate of office developments in Core Central to its lowest level in nearly two years. The Group's premium office portfolio, particularly The Henderson and ifc in Central, accordingly benefited from this market environment.

The Henderson, a 465,000-square-foot office development, achieved a leasing rate of over 90% at the end of June 2026. Designed by the internationally acclaimed architectural firm Zaha Hadid Architects, this landmark development, which previously received the top honour of the World's Best Property at the International Property Awards 2025-2026, achieved another milestone during the period: its three dining establishments (namely, Hana no Kumo, Peridot and Akira Back) were all named among the World's 16 Most Beautiful Restaurants at the Prix Versailles 2026, making them the only three venues in Hong Kong to receive this accolade. In addition to being the first commercial building in the Asia-Pacific region to achieve "In Partnership with Forbes Travel Guide" recognition, The Henderson is the first super Grade-A commercial development in Hong Kong to receive ten Platinum certifications across multiple sustainability and smart technology standards. The Henderson is also the first project in China to receive full marks in both the SmartScore Certification and the China Smart Building Certification. The Henderson has attracted top-tier tenants, including Point72, Christie's, Carlyle, Audemars Piguet and Cohen & Steers.

Leveraging strong relationships with tenants, the Group's other office developments performed well during the period. ifc in Central, AIA Tower in North Point, as well as the Group's portfolio of office and industrial/office premises in Kowloon East, including Manulife Financial Centre, AIA Financial Centre, 78 Hung To Road and 52 Hung To Road, maintained an overall occupancy rate of approximately 90%.

As regards Central Yards, the 1,600,000-square-foot mixed-use development on the New Central Harbourfront, its 750,000-square-foot Phase 1 development is scheduled for completion in the second half of 2026 and opening in 2027. A financial institution has signed an agreement to lease 70%, over 223,000 square feet, of Phase 1 office and ancillary space. The remaining areas are attracting strong interest from leading multinational companies. During the first half of 2026, a joint venture company of the Group successfully secured a five-year tenancy for the Central Harbourfront Event Space adjacent to Central Yards. Moving forward, the project will adopt a holistic layout planning of the Victoria Harbourfront to orchestrate diverse events, thereby creating synergies with Central Yards. This initiative aims to forge a more vibrant, world-class cultural and entertainment landmark for Hong Kong, further consolidating its status as the "Mega Events Capital".

Construction

The Group continues to adopt innovative technologies and advanced materials to further enhance construction quality. Among these, “structural bio-inspired silicone sealant for wet surface” has received Government approval and is being used in government projects. In addition to implementing the Government's Smart Site Safety System at its construction sites, the Group is actively participating in the joint development of an AI-powered fire detection system and a portable AI-powered camera scanning system to strengthen site safety. As a result, the Group received numerous accolades, including Environmental Merit Award, Worker-friendly Construction Site and Carbon Smart Label Eligible Project, in recognition of its commitment to environmental protection, innovation and site safety.

The following development projects in Hong Kong were completed during the period:

	Project name and location	Site area (sq. ft.)	Gross floor area (sq. ft.)	Type of development	Interest of the Group (%)	Gross floor area attributable to the Group (sq. ft.)
1.	North Innovale 25 Heung Tsz Road Kwu Tung North (formerly known as project at Fanling Sheung Shui Town Lot No. 263 Kwu Tung)	56,510	339,066	Commercial/ Residential	90.10	305,498
2.	Belgravia Place (Phase 2) 1 Berwick Street Cheung Sha Wan	9,358	122,750	Commercial/ Residential	100.00	122,750
					Total:	**428,248**

Property Management

The Group's property management companies consist of Hang Yick Properties Management Limited ("Hang Yick"), Well Born Real Estate Management Limited ("Well Born"), H-Privilege Limited ("H-Privilege", which provides superior management services for the Group's prestigious housing projects - The H Collection), Goodwill Management Limited and H Commerce Management Limited (which provides superior management services for The Henderson – The World's Best Property, as well as the Group's commercial properties and shopping malls). These companies, collectively managing over 83,000 apartments and industrial/commercial units, 10 million square feet of shopping and office space, as well as 20,000 car parking spaces in Hong Kong, continue to hold leading positions within the industry.

The property management companies uphold the Group's commitment to service excellence and sustainable development. They have implemented an Integrated Management System, which complies with the requirements of ISO 9001 (Quality Management System), ISO 10002 (Complaints Handling Management System), ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System). During the period, these property management companies received numerous accolades, including the Excellence in Facility Management Award and the Carbon Award for their outstanding performance.

As for community services, these property management companies launched a "Year of Fire Prevention" campaign during the period to raise public awareness of fire safety. They also collaborated with charitable institutions to organise a series of activities to promote sports and environmental protection. In addition, their volunteer teams actively participated in various caring activities and received the "Corporate - Top 10 Highest Volunteer Hour Award", "Corporate - Most Active Award (Volunteer Hours)", as well as "Top 10 Caring Estate" at the Hong Kong Volunteer Award 2025.

Chinese Mainland

In the first half of 2026, the Central Government continued its policy stance of “striving to stabilise the real estate market”, setting a clear direction to stimulate demand by relaxing restrictions, and to optimise supply by controlling production volume and reducing inventory. However, as strengthening the macroeconomic foundation still requires time, the overall real estate market remained sluggish, despite a gradually narrowing price decline. City-level divergence intensified further. In first-tier and certain core second-tier cities, transaction volumes rebounded under the impetus of premium “high-quality home” projects. Upgrade-driven demand remained the main pillar supporting the new commodity housing market. Nevertheless, despite a significant reduction in new commodity housing supply, overall sales remained under pressure and declined compared with the same period last year. In the land market, the Government maintained its supply strategy of “reducing volume and enhancing quality”. Real estate enterprises continued to focus their land bidding on premium sites in core cities.

The residential project completed during the period accounts for an attributable gross floor area of approximately 200,000 square feet.

The Group's strategies in Chinese Mainland were as follows:

Property Investment: During the period, the Group strategically directed its resources towards leasing two large-scale projects completed in recent years, namely, Lumina Guangzhou in Yuexiu District, Guangzhou and Lumina Shanghai in the Xuhui Riverside Area, Shanghai. This initiative achieved notable success and as at 30 June 2026, the leasing rate for the 1,000,000-square-foot Lumina Shanghai II was 92%, while Lumina Guangzhou recorded a leasing rate of over 80% for its 970,000-square-foot Grade-A office twin towers. In addition, two newly completed composite developments — the 830,000-square-foot The Pier in Pudong, Shanghai and the 400,000-square-foot Yunhui Tower in Nanshan, Shenzhen — are actively launching their leasing campaigns. With the successive commencement of operations across these joint venture projects, the Group's rental income is projected to set a positive trajectory for future recurring revenue.

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

As at 30 June 2026, in addition to approximately 2.6 million square feet of attributable gross floor area in completed property stock, the Group's development land bank in 12 cities amounted to approximately 7.20 million square feet of gross floor area attributable to the Group, with approximately 65% designated for the development of residential properties:

Land Bank Under Development or Pending Future Development

		Estimated developable gross floor area attributable to the Group* (million sq. ft.)
First-tier cities		
Beijing		0.05
Guangzhou		0.87
	Sub-total:	**0.92**
Second-tier cities		
Changsha		0.05
Chengdu		3.29
Chongqing		0.57
Dongguan		0.10
Foshan		0.01
Shijiazhuang		1.43
Suzhou		0.03
Tianjin		0.35
Wuhan		0.39
Xuzhou		0.06
	Sub-total:	**6.28**
	Total:	**7.20**

Utilisation of Land Bank

		Estimated developable gross floor area attributable to the Group* (million sq. ft.)	Percentage (%)
Residential		4.67	65
Office		1.21	17
Commercial		1.14	16
Others (including clubhouses, schools and community facilities)		0.18	2
	Total:	**7.20**	**100**

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

Property Sales

During the first half of 2026, the volume of pre-sold residential units completed and delivered to buyers declined compared with the same period last year. Revenue attributable to the Group's property development in Chinese Mainland, as recognised in the financial statements for the period under review, amounted to approximately RMB898 million (equivalent to approximately HK$1,014 million), representing a year-on-year decrease of 59% in Renminbi terms. The attributable loss before taxation amounted to RMB377 million (2025: RMB100 million), equivalent to approximately HK$425 million.

During the period, contracted sales attributable to the Group amounted to approximately RMB297 million (equivalent to approximately HK$337 million), representing a decrease of approximately 74% compared to the total contracted sales in Renminbi terms for the same period last year. In terms of attributable gross floor area, contracted sales decreased by 78% year on year to approximately 0.2 million square feet. Major projects included the Changan project in Shijiazhuang, CIFI Centre in Chengdu, as well as Cloud Villa and Tian Hui in Beijing.

As at 30 June 2026, attributable contracted sales of approximately HK$1,242 million had yet to be recognised in the accounts. It is anticipated that approximately HK$554 million will be recognised in the second half of 2026 upon completion of the relevant developments and handover of the completed units to buyers.

Investment Properties

As at 30 June 2026, the completed investment property portfolio attributable to the Group in the Mainland amounted to approximately 13.9 million square feet, the details of which are as follows:

By type		**Gross floor area attributable to the Group* (million sq. ft.)**	**Percentage (%)**
Office		9.6	69
Commercial		4.3	31
	Total:	**13.9**	**100**

By geographical area		**Gross floor area attributable to the Group* (million sq. ft.)**	**Percentage (%)**
Beijing		2.2	16
Shanghai		7.3	52
Guangzhou		2.5	18
Other		1.9	14
	Total:	**13.9**	**100**

* *Including lettable areas in the basement.*

Corporate tenants continued to maintain a prudent approach to their leasing of premises, prioritising cost reduction and operational efficiency. This restrained spending, together with the significant volume of new supply, exerted sustained downward pressure on rentals in the Chinese Mainland leasing market. During the first half of 2026, gross rental income attributable to the Group decreased by 10% year on year in Renminbi terms. After accounting for the approximately 4% year-on-year appreciation of the Renminbi against the Hong Kong Dollar, gross rental income attributable to the Group decreased by 6% year on year to HK$866 million. Net rental income before taxation attributable to the Group also decreased by 10% year on year to HK$594 million during the period.

In Beijing, World Financial Centre in Chaoyang Central Business District secured Publicis Groupe S.A., a leading multinational advertising and communications company, as well as Sullivan & Cromwell LLP as tenants during the first half of 2026. This progressively boosted the leasing rate of this international Grade-A office complex to more than 60% at the end of June 2026. With its reputable building quality, this development is expected to continue attracting corporate tenants that prioritise quality.

In Shanghai, as at 30 June 2026, the office space of Henderson Metropolitan near the Bund was fully leased, while the leasing rate for its shopping mall was close to 90%. The joint-venture project in the Middle Huaihai Road business hub recorded an overall leasing rate of over 90%. The leasing rates for the office developments at Grand Gateway II atop the Xujiahui subway station and Henderson 688 in Nanjing Road West business hub were approximately 80% and 70%, respectively. In addition, the leasing rates of Greentech Tower and Centro adjacent to the Shanghai Railway Station were approximately 70% and 60%, respectively. Lumina Shanghai, an integrated development with direct access to Longyao subway station, is strategically located in the Xuhui Riverside Area, a hub for culture, media and digital technology development in the city. The 61-storey iconic office tower of Phase 1 of Lumina Shanghai provides approximately 1,800,000 square feet of Grade-A office space. During the first half of 2026, an Intel group company was secured as a tenant, boosting the leasing rate of this development to more than 70%. Its 200,000-square-foot shopping mall hosts an array of food and beverage outlets, offering diverse dining options. The neighbouring 1,000,000-square-foot Phase 2 development, Lumina Shanghai II, is home to many renowned automotive corporations, achieving a leasing rate of 92%. The Pier, in which the Group has a 51% interest, is located in Xinminyang area of Pudong. This newly completed development comprises two 11-storey office buildings, one 12-storey office building and five commercial buildings, providing a total gross floor area of about 830,000 square feet. As the Xinminyang area is positioned as a world-class waterfront mixed-functional belt with close proximity to Lujiazui business hub, The Pier attracted leasing interest from a number of financial institutions and multinational corporations.

In Guangzhou, Lumina Guangzhou, an integrated development atop the Haizhu Square interchange station of two subway lines, is strategically located in this core city of the Guangdong-Hong Kong-Macao Greater Bay Area. Commanding panoramic views of the Pearl River, its 970,000-square-foot Grade-A office twin towers attract many multinational corporations and international organizations as tenants. During the first half of 2026, CLOROX, an American consumer goods manufacturer, was secured as a tenant, boosting the leasing rate of this development to more than 80% at the end of June 2026. Its 900,000-square-foot shopping podium and underground commercial area host a wide variety of specialty eateries and movie theatres, offering customers a diverse dining and leisure experience. The 600,000-square-foot Hengbao Plaza, located above the Changshou Road subway station, continued to optimise its tenant mix to enhance its attractiveness, with a leasing rate close to 80% at the end of June 2026.

In Shenzhen, Yunhui Tower, in which the Group has a 50% interest, was newly completed. Located in Nanshan District with close proximity to the Nanyou West and Nanyou subway stations, this commercial composite development comprises industrial R&D offices, supporting dormitory and commercial facilities, providing a total gross floor area of approximately 400,000 square feet. Leasing response for its industrial R&D office space has been positive, with the leasing rate reaching 93% at the end of June 2026.

Property Management

Shanghai Starplus Property Management Co., Ltd. ("Starplus") currently manages a portfolio spanning four major cities (namely, Beijing, Shanghai, Guangzhou and Shenzhen) with a total floor area of more than 14,000,000 square feet, including 5,400 car parking spaces in Chinese Mainland.

To ensure the highest service standards across all properties under its management, Starplus has adopted management practices and professional accreditation standards that comply with ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and ISO 50001 (Energy Management System). Its commitment to professionalism has been extended to cover all properties under its management.

During the first half of 2026, eight properties under its management (including Lumina Shanghai I and II, Henderson 688, Henderson Metropolitan, Greentech Tower and Centro in Shanghai, World Financial Centre in Beijing, as well as Lumina Guangzhou in Guangzhou) were awarded the Gold Seal for Carbon Audit Contribution (Chinese Mainland) at the Green and Sustainability Contribution Awards 2026 organised by the Hong Kong Quality Assurance Agency. World Financial Centre in Beijing and Lumina Guangzhou also received LEED v4.1 (Existing Building - Operations and Maintenance) platinum certification from the U.S. Green Building Council and the Green Business Certification Inc.. In addition, Lumina Shanghai I, Tower 2 of Lumina Shanghai II and Henderson 688 were honoured with the Spotlight Award, while Starplus won the Leadership Impact Award from the International WELL Building Institute. All these achievements demonstrate that the Group's commitment to green living and sustainability for its Chinese Mainland properties is widely recognised both locally and internationally.

Henderson Investment Limited (“HIL”)

HIL’s (unaudited) loss attributable to equity shareholders for the six months ended 30 June 2026 amounted to HK$22 million, representing an improvement from the loss attributable to equity shareholders of HK$41 million recorded in the corresponding period in 2025.

HIL’s business activities are principally carried out by two wholly-owned subsidiaries: (i) Citistore (Hong Kong) Limited — operating five department stores under the name of “Citistore” (hereinafter collectively referred to as “Citistore”); and (ii) Unicorn Stores (HK) Limited — operating two department stores with supermarkets (namely, “APITA” and “UNY”) and two supermarkets under the name of “UNY” (hereinafter collectively referred to as “Unicorn”).

Over the years, HIL has been committed to integrating the operations of Citistore and Unicorn. During the first half of 2026, HIL introduced a series of measures to achieve better synergies between the two, including improving warehousing and logistics efficiency, optimising manpower allocation, and reviewing and adjusting leasing arrangements. In addition, HIL continued to upgrade its “CU APP” membership loyalty programme and strengthen member engagement, with the aim of providing greater shopping convenience to its approximately 950,000 members.

(I) Citistore

Due to intense competition in the retail market, Citistore recorded a year-on-year decrease of 6% in the aggregate sales proceeds from the sales of own goods, consignment sales and concessionaire sales for the six months ended 30 June 2026.

During the first half of 2026, Citistore’s sales of own goods decreased by 2% year on year to HK$125 million, with the gross margin also declining to 30%. Citistore’s consignment sales represent the sales of consignors’ products placed on designated shelves or in designated areas under consignment arrangements, while concessionaire sales are conducted by concessionaires operating from their own shop spaces within Citistore’s stores under licence agreements. For both consignment and concessionaire sales, Citistore receives commission income based on a revenue-sharing arrangement or a base commission (if any), whichever is higher. During the period, proceeds from consignment and concessionaire sales decreased by 5% and 10% respectively, resulting in a 9% decline in total commission income from such sales to HK$125 million.

After deducting operating expenses, Citistore recorded a profit after taxation of HK$7 million for the six months ended 30 June 2026, representing a turnaround from the loss after taxation of HK$7 million recorded in the corresponding period last year.

(II) Unicorn

Unicorn’s sales of own goods and consignment sales for the six months ended 30 June 2026 decreased by 7% year on year to HK$543 million.

After deducting operating expenses, Unicorn recorded a loss after taxation of HK$22 million for the six months ended 30 June 2026, representing an improvement from the loss after taxation of HK$30 million recorded in the corresponding period last year.

Looking ahead, HIL will continue to integrate and streamline the operations of Citistore and Unicorn, with the aim of enhancing efficiency and reducing expenses. Notably, Citistore Tseung Kwan O store will be relocated to another site within the same mall this September. With a refreshed new look, it will collaborate with UNY Tseung Kwan O store to provide shoppers with a more comprehensive, one-stop department store and supermarket shopping experience. In addition, HIL will continue to expand the “CU APP” membership base and attract greater shopper patronage by optimising its merchandise mix and intensifying promotional efforts.

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

Miramar's revenue for the six months ended 30 June 2026 amounted to HK$1,168.3 million, representing a decrease of 9.8% against the corresponding period last year. Profit attributable to shareholders increased by 3.0% to HK$331.6 million. Excluding the net change in fair value of investment properties (after deducting non-controlling interests and related tax effects), the underlying profit attributable to shareholders decreased by 3.0% to HK$331.7 million.

Hotels and Serviced Apartments Business

During the review period, the overall revenue from the hotels and serviced apartments business amounted to HK$270.9 million, representing a decrease of 3.1% compared with the same period last year. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to HK$59.7 million, representing an increase of 11.7% compared with the same period last year. During the period, renovations and the smart Internet of Things ("IoT") upgrades at The Mira Hong Kong temporarily reduced its available room inventory by approximately 10%. Excluding guestrooms temporarily unavailable for rental due to the aforementioned renovation projects, the occupancy rates of The Mira Hong Kong and Mira Moon both exceeded 90%. The refurbishment works at The Mira Hong Kong are scheduled for completion by the end of September this year, supporting appropriate increases in room rates.

Property Rental Business

The revenue from the property rental business amounted to HK$395.0 million during the period, while EBITDA amounted to HK$330.3 million, reflecting increases of 2.5% and 2.3%, respectively compared with the corresponding period last year. Average occupancy rates for both its shopping mall and offices exceeded 95%. Earlier this year, Mira Place launched "Mira ARTvenue", a brand-new outdoor cultural and art space at its northern entrance. Miramar also introduced the Mi+ "Mira Commune" membership in the review period, specially tailored for its office and store tenants' employees to forge deeper associated spendings with the office and store tenant community and enrich exclusive member privileges. In addition, Miramar announced the acquisition of a 50% effective interest in the properties of MPM Plaza in Mong Kok through a joint venture. The acquisition is expected to be completed on or before 15 September 2026. Situated in a prime retail location in Mong Kok, the project will help broaden Miramar's property investment portfolio and diversify its sources of income. The gross rental yield to be generated from the property is approximately 6.5%, which is calculated based on the unaudited rental income for the year ended 31 March 2026.

Food and Beverage Business

During the period, the overall revenue from the food and beverage business amounted to HK$125.7 million, a decrease of 9.9% compared with the same period last year; EBITDA turned from a loss of HK$2.8 million in the same period last year to a profit of HK$5.6 million. Notably, revenue from festive foods rose by nearly 10% year on year, reflecting the success of the relevant products and promotional strategies. Looking ahead to the second half of the year, Miramar will carry out refurbishment works and add several private dining rooms at selected restaurants, and continue to adjust its food and beverage offerings and promotional strategies.

Travel Business

During the period, travel business recorded revenue of HK$376.7 million, representing a decrease of 23.2% compared with the same period last year; EBITDA loss was HK$6.4 million, compared with an EBITDA profit of HK$15.4 million in the same period last year. During the period, the United States-Israel-Iran war affected airspace safety across the Middle East, forcing the cancellation or rerouting of flights and tour itineraries bound for Europe and other destinations via the region. Compounded by airlines raising fuel surcharges, travel costs for passengers have risen further, dampening the desire for air travel and significantly impacting the performance of the tourism business.

Associated Companies

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

In the first half of 2026, HKCG recorded an after-tax operating profit for the period of HK$4,746 million, representing a 19% increase year on year. Profit attributable to shareholders grew by 23% to HK$3,640 million.

Utility Businesses

Hong Kong Gas Business

Commercial gas consumption stood at 5,590 million MJ, while industrial gas consumption amounted to 782 million MJ. On the residential side, gas sales fell by 544 million MJ to 8,042 million MJ. As at 30 June 2026, total town gas sales in Hong Kong had reached 14,414 million MJ (equivalent to approximately 410 million cubic metres of natural gas), down 3.5% year on year. The customer base stood at approximately 2.07 million, an increase of nearly 15,000 from year-end 2025. HKCG adjusted its standard town gas tariff and monthly maintenance charge with effect from 1 August 2026.

Mainland Gas Business

As at 30 June 2026, HKCG's city-gas projects on the Chinese mainland, including its subsidiary Towngas Smart Energy Company Limited ("Towngas Smart Energy", stock code: 1083), totalled 325 across 23 provincial regions. During the period, 690,000 new customers were added, bringing the total to 44.96 million. Total gas sales volume for the first half reached 18,600 million cubic metres, broadly flat year on year. Cost pass-throughs were fully completed for industrial and commercial users, while the pass-through ratio for residential users exceeded 90%. With cost pass-throughs now largely in place, the dollar margin for city gas was RMB0.55 per cubic metre in the first half of the year, a further improvement of RMB0.01 per cubic metre year on year.

During the period, HKCG coordinated and dispatched 2,840 million cubic metres of gas, accounting for 15% of gas sales. HKCG strengthened its strategic cooperation with the three major national petroleum corporations and provincial gas platforms, by adopting a model of centralised negotiation and decentralised signing to secure medium- to long-term procurement contracts. Simultaneously, HKCG broadened access to coalbed methane and liquefied natural gas ("LNG") resources from Shaanxi, Shanxi and Ningxia to diversify supply channels and hedge against market volatility.

HKCG pressed ahead with its core "Gas+" strategy, accelerating its transformation from a traditional city-gas enterprise into an integrated energy services provider. Through continuous refinement of its business framework and product portfolio, the business achieved energy sales of 1,630 million kWh, driving associated natural gas sales of 110 million cubic metres.

In the biomethane operation, HKCG currently operates 12 projects across Jiangsu, Zhejiang, Shandong, Sichuan and other provinces. In the first half of 2026, newly integrated gas volume reached 10 million cubic metres, bringing the cumulative total to 44.5 million cubic metres. Separately, the Bringing Hydrogen into Households project in Weifang, Shandong Province, is expected to commence trial operations shortly. In its industrial hydrogen-blending operation, HKCG has built the Chinese mainland's first integrated testing and verification platform for hydrogen-blended combustion at industrial end-users in Zhangjiagang, Jiangsu Province.

Water and Environmental Businesses

In the first half of the year, water sales and sewage treatment volume reached 800 million tonnes, up 2% year on year, while solid waste treatment volume reached 830,000 tonnes, a year-on-year increase of 5%. Wujiang Hua Yan, a subsidiary of HKCG, saw its pipeline leakage management project recognised as a national typical case of AI application scenarios, which has been developed into a standardised product for external distribution. With regard to the low-carbon transition front, Suzhou Qingyuan Hua Yan became the first water company in Jiangsu Province to be awarded "Green Factory" status for its support of Suzhou's zero-carbon smart industrial park initiative.

Growth Businesses

Renewable Energy Business

As at 30 June 2026, HKCG's subsidiary Towngas Smart Energy had established 128 zero-carbon smart industrial parks across 24 provincial regions on the Chinese mainland. New grid-connected distributed photovoltaic capacity for industrial and commercial customers increased by 0.2 GW, bringing cumulative installed capacity to 3 GW. Photovoltaic electricity sales volume grew 12% year on year to 1,320 million kWh.

During the first half, HKCG leveraged its Assets under Management ("AuM") strategy, increasing AuM by 0.66 GW year on year to 1.5 GW. By capitalising on synergies with the gas sector, the electricity sales business grew rapidly, recording sales of 7,230 million kWh (double that of the same period in 2025). Additionally, cumulative grid-connected industrial and commercial energy storage capacity reached 850 MWh.

During the period, Towngas Smart Energy successfully launched the "New Energy Infrastructure Carbon Neutral Green Held-for-Investment Real Estate Asset-Backed Plan" ("institutional REIT") and "Zero-Carbon Smart Phase 4" asset-backed securities programme ("quasi-REIT"), raising approximately RMB900 million in financing. Cumulative financing reached RMB5,500 million.

To support customers' low-carbon transition, HKCG introduced a new business model, the Energy as a Service ("EaaS") framework, with integrated decarbonisation solutions encompassing "photovoltaics + energy storage + electricity sales". HKCG also increased investment in new technology by upgrading its smart energy management platform. Using artificial intelligence ("AI") to optimise power trading algorithms, the platform improves the operation of new energy assets and iterative trading strategies for enhanced investment returns.

Sustainable Aviation Fuel

EcoCeres, Inc. ("EcoCeres"), a company incubated by HKCG and in which it remains a strategic shareholder, commenced trial production at its Malaysia plant in 2025. In the first half of the year, overall sales volume of green fuels including sustainable aviation fuel ("SAF") recorded strong growth, reaching 320,000 tonnes, approximately doubled year on year. During the period, EcoCeres extended its SAF supply agreement with British Airways through to the end of 2030. EcoCeres and the Dongguan Municipal Government signed an investment letter of intent to establish the Greater Bay Area's first complete SAF value chain. The project is expected to produce approximately 450,000 tonnes of SAF and hydrotreated vegetable oil ("HVO") annually. EcoCeres is also actively exploring new application scenarios for its products. Its HVO is now being used as an alternative fuel for data centre backup generators and has been deployed in the first pilot projects using HVO-powered backup generators on the Chinese mainland and in Southeast Asia.

Green Fuels and Chemicals

VENEX, a joint venture under HKCG, achieved multiple breakthroughs in the first half of 2026. Its production capacity is concentrated on three major port clusters. At its project in Inner Mongolia, the company is ramping up capacity to 300,000 tonnes, primarily serving North China ports. In Foshan, a new project is progressing steadily towards its expected 2028 commissioning, when it will have an anticipated capacity of 200,000 tonnes to serve ports in South China, Hong Kong and Southeast Asia. Together, these facilities establish a strategic dual-base footprint across northern and southern China. There are also plans to establish a new plant in East China, for which VENEX is currently seeking domestic and overseas partners. In terms of market supply chains and sales, following sales of 16,400 tonnes in 2025 and the expansion of coverage to major domestic ports as well as overseas markets such as Singapore and South Korea, the company completed Hong Kong's first container terminal bunkering operation during the period. The green methanol sold was transported from the Inner Mongolia plant to Hong Kong using cross-boundary logistics, marking the completion of a fully integrated supply chain from northern China to Hong Kong and laying the groundwork for the Hong Kong market. During the period, HKCG also received one of the first certifications under the country's Global Sustainable Transport Certification (GSTC) scheme, adding to its existing international ISCC and ISO product carbon footprint certifications.

Hydrogen Energy

Hong Kong's first hydrogen-powered EV charging system in a commercial building was officially launched in April this year. Then, in May, HKCG signed a memorandum of understanding with 10 local and international enterprises to further develop Hong Kong's hydrogen energy ecosystem on a joint basis. Key objectives include producing green hydrogen from biogas collected at landfills and deploying and promoting hydrogen commercial vehicles and hydrogen generators in Hong Kong. HKCG is also promoting the application of hydrogen power generation at construction sites and charging facilities. Its second-generation hydrogen generator offers three times the power output of the first generation and will be adopted at Central Yards, using green hydrogen produced from landfill biogas. This will make the construction site the first in Hong Kong to use green hydrogen for power generation. HKCG will continue to advance government-approved hydrogen fuel technology trial projects, including extracting hydrogen from the existing town gas network at the Shau Kei Wan site to generate electricity for site offices. In addition, Hong Kong's first green hydrogen project, which is being developed at the Tseung Kwan O New Territories South East Landfill Extension, is expected to commence production in the fourth quarter of this year.

Extended Businesses

HKCG operates in a vast market of 47 million city-gas customers across Hong Kong and Chinese Mainland. Towngas Lifestyle, a subsidiary of HKCG, has been accelerating its transformation into a service-driven one-stop home concierge service model. It is focused on three core business pillars: smart kitchens, insurance and home safety. By increasing engagement with its existing customer base, Towngas Lifestyle is improving conversion rates and driving progressively faster business growth. In the first half of the year, Towngas Lifestyle delivered continued growth, with revenue reaching HK$2,200 million, up 11% year on year, and net profit of HK$307 million, up 19% year on year. In Hong Kong, smart kitchen revenue in the first half of the year reached HK$870 million, up 7% year on year, with retail contributing HK$770 million, an increase of 19%. For project-based kitchen cabinets, contracts for 2,471 new sets were secured in the first half of the year, achieving 82% of the annual target. White goods sales exceeded 7,500 units, representing 62% of the full-year target. On the Chinese mainland, trade-in sales of the smart kitchen appliances business rose 17% year on year to RMB200 million. The heating engineering business grew 14% year on year to RMB120 million, and a dedicated Heating, Ventilation, and Air Conditioning ("HVAC") company was established to provide one-stop Integrated HVAC solutions. In the insurance business, the share of home property comprehensive insurance in total insurance sales rose to 82%. Smart device connections reached 440,000 households. In the first half of the year, HKCG launched a subscription-based safety platform service to address diverse consumer needs for home safety, achieving a 7% conversion rate. After opening community service stations in Hangzhou and Zhongshan, HKCG will continue to extend these stations to more cities nationwide with a view to forming a proprietary community service network. Towngas Lifestyle has also been fully embracing AI technologies, upgrading its Towngas Cloud Platform and artificial intelligence of things ("AIoT") ecosystem. By promoting the use of integrated AI agents in home scenarios, Towngas Lifestyle is enabling its customers to enjoy higher-quality smart services.

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

Hong Kong Ferry's underlying profit for the six months ended 30 June 2026 was HK$73 million, representing an increase of approximately 5.7% from the same period last year. After taking into account the fair value change of the investment properties, Hong Kong Ferry's profit attributable to shareholders for the six months ended 30 June 2026 was HK$80 million, representing a decrease of approximately 34.5% from the same period last year.

Property Development and Investment Operations

Hong Kong Ferry's gross rental income arising from the commercial arcades, shops and youth hostel during the period under review amounted to HK$97 million, an increase of 60% as compared with the same period last year. During the period under review, the commercial arcades of Metro6 were fully let. The occupancy rates of the commercial arcades of Shining Heights and The Spectacle were 70% and 91% respectively, and the occupancy rates of the commercial arcades of Green Code Plaza and Metro Harbour Plaza were 94% and 93% respectively. Thirty-three residential units of its joint venture development project (namely, The Royale) remain unsold, of which ten residential units, together with 106 private car parking spaces and 18 motorcycle parking spaces, have been leased out under short-term tenancy agreements. It has been over a year since Hong Kong Ferry, in collaboration with Tung Wah Group of Hospitals, commenced the project to convert two residential towers of "The Symphonie" into the "TN Residence" youth hostel. The car park of the property also commenced operations in April 2026, of which two private car parking spaces and one motorcycle parking space have been leased out on a short-term basis. Following Hong Kong Ferry's completion of the acquisition of various shops at Portion A of Ground Floor and signage areas of Tai Hung Fai (Tsuen Wan) Centre located at 55 Chung On Street, Tsuen Wan on 30 September 2025, it has completed the reconfiguration of shop layouts and carried out renovations to enhance the property's image. The optimised signage area and the reinstalled new LED screen have increased the advertising spaces available for lease. Hong Kong Ferry has also successfully introduced financial institution to lease the shops, thereby enhancing the property's rental return. As at 30 June 2026, all shops had been leased out.

Ferry, Shipyard and Related Operations

During the period under review, the Ferry, Shipyard and Related Operations recorded a deficit of approximately HK$9 million, a decrease of approximately HK$3.4 million as compared to the deficit in the same period last year. The decrease in deficit was primarily attributable to an increase in overall revenue, which offset part of the losses arising from the dangerous goods vehicular ferry services caused by rising oil prices. Hong Kong Ferry successfully applied to the Transport Department in June 2026 for a fare increase for the "North Point - Kwun Tong" dangerous goods vehicular ferry service. The new fares took effect on 27 June 2026 and are expected to reduce losses in the second half of the year.

Medical, Healthcare and Beauty Services

Hong Kong Ferry's medical, healthcare and beauty services recorded a profit of approximately HK$1.3 million during the period under review. Its "Total HealthCare" brand has now established three "Total HealthCare Health Centres" at Mira Place, Tsim Sha Tsui, Metro Harbour Plaza, Tai Kok Tsui, and Tai Hung Fai (Tsuen Wan) Centre. AMOUR Aesthetic expanded its leased area at Mira Place, Tsim Sha Tsui, to deliver an elevated experience for its clientele. Hong Kong Ferry established a specialist centre at H Zentre, Tsim Sha Tsui through a joint venture. Its performance has been steadily on the rise and recorded a profit. The specialist centre was renamed "Alliance Medical Centre" as part of a brand revitalisation initiative in November 2025. Together with another service point at Mira Place, it operates under a dual-centre model. Hong Kong Ferry also partnered with a professional sports and fitness centre in Hong Kong with over twenty years of experience to establish a physiotherapy centre at H Zentre in August 2025. Since the second half of 2024, Hong Kong Ferry has launched a medical equipment leasing business, jointly investing with specialist doctors to acquire medical devices for rental to hospitals and doctors.

Sunlight Real Estate Investment Trust (“Sunlight REIT”)

For the six months ended 30 June 2026, Sunlight REIT recorded revenue of HK$382.4 million, a year-on-year decline of 2.2%. After deducting property operating expenses of HK$82.7 million, net property income came in at HK$299.7 million. Aided by a 7.9% saving in cash interest expense to HK$84.3 million, distributable income for the six months ended 30 June 2026 was HK$164.0 million, a 2.7% drop from the corresponding period in the previous year.

At 30 June 2026, the overall occupancy rate of Sunlight REIT’s portfolio stood at 90.8% (31 December 2025: 90.6%). Occupancy rates of the office and retail portfolios came in at 92.0% and 88.4% respectively, while their corresponding passing rents were HK$30.6 per sq. ft. and HK$62.2 per sq. ft., down 1.3% and 2.7% from six months ago. The portfolio recorded a negative rental reversion of 7.6% for the period under review, while the average retention rate achieved a satisfactory level of 77%.

Dah Sing Financial Centre, the flagship office property of Sunlight REIT, recorded an occupancy of 91.8%, while its passing rent stayed largely unchanged at HK$35.2 per sq. ft. A similar level of occupancy was achieved by the Sheung Wan/Central portfolio, reflecting the spillover demand from Central. In respect of the service-driven office portfolio located in Mong Kok, the occupancy of Righteous Centre was 88.0%, while its neighbouring property, The Harvest, recorded an occupancy level of 95.7%.

Regarding the retail portfolio, the occupancy of Sheung Shui Centre Shopping Arcade came in at 86.9%, mainly attributable to the prolonged vacancy pending the replacement of a kindergarten tenant. Passing rent of this property was HK$98.2 per sq. ft. Meanwhile, Metro City Phase I Property reported an occupancy rate of 88.0%, while its passing rent was HK$52.0 per sq. ft. Finally, the occupancy rate of Kwong Wah Plaza Property in Yuen Long was 92.8%, while its passing rent stood at HK$51.7 per sq. ft.

For the period under review, Sunlight REIT successfully refinanced all borrowings maturing in the year ending 31 December 2026 at favourable pricing. Total borrowings of Sunlight REIT amounted to HK$5,023 million at 30 June 2026, including a drawdown of HK$30 million from its revolving credit facilities which was repaid in full on 2 July 2026. Subsequent to the implementation of certain refinancing arrangements, the secured loan portion currently stood at HK$2,600 million (31 December 2025: HK$2,100 million) and was backed by a mortgage over certain properties with an appraised value of HK$7,187 million. The weighted average debt maturity was maintained at 3.0 years, and all term loans are structured as sustainability-linked loans.

Looking ahead, approximately 14.0% and 22.3% of the office and retail rentable areas of Sunlight REIT are scheduled for lease renewals in the second half of 2026, respectively. In light of prevailing market conditions, improving occupancy across the portfolio will be key to mitigating the impact of negative rental reversion. In approaching its 20th listing anniversary, Sunlight REIT will endeavour to create sustainable value for the benefit of unitholders, while harnessing innovation and technology to bolster portfolio robustness and support future-ready asset management.

CORPORATE FINANCE

The Group has always adhered to prudent financial management principles. As at 30 June 2026, net debt amounted to HK$58,432 million (31 December 2025: HK$60,219 million) and the financial gearing ratio was 17.9% (31 December 2025: 18.7%). In addition, shareholders' loans to the Group, which have consistently been the Group's stable source of funding, amounted to HK$76,955 million as at 30 June 2026 (31 December 2025: HK$80,618 million).

Sustainable finance is integral to the Group's financing strategy and reflects its commitment to sustainable development. The Group's Sustainable Finance Framework covers a wide range of eligible financing transactions, with proceeds applied to projects that deliver environmental and social benefits to the community. A Second-Party Opinion was obtained from Moody's Ratings, which assigned a Sustainability Quality Score of "SQS2 (Very good)" to the Group's Sustainable Finance Framework. During the period, the Group closed Hong Kong's first biodiversity loans with HSBC and Hang Seng Bank to support biodiversity-enhancing initiatives at Central Yards, the Group's flagship mixed-use development on the New Central Harbourfront. This pioneering facility aligned with the Green Loan Principles of the Loan Market Association, the Asia Pacific Loan Market Association, and the Loan Syndications and Trading Association, with a specific focus on urban biodiversity restoration, conservation and enhancement. In addition, the Group has received wide recognition for its commitment to environmental protection in its property development projects. Numerous world-class sustainability awards, certifications and professional accreditations have been conferred by various international and local professional rating agencies. Since 2020, green credit and sustainability loan facilities exceeding HK$50,000 million have been secured on favourable terms. Among them was a Social Loan, the first of its kind ever obtained by a property developer in Hong Kong. Under the terms of the loan, the Group is required to fulfill its social responsibility and realise its broader 2030 Sustainability Vision. The Group's iconic development, The Henderson, was honoured with the Special Citation on Green Financing by the Hong Kong Green Building Council. The Group's HK$5,000 million bilateral multi-tranche sustainability-linked loan and social loan, extended by DBS Bank (Hong Kong) Limited and closed in the previous year, were awarded Best Sustainability Loan – Hong Kong in The Asset Triple A Awards for Sustainable Finance 2026. These accolades underscore the Group's strong credibility and environmental commitment, earning widespread recognition from the international financial and professional communities.

Sustainability

Recognising its continuous commitment and performance in sustainability, the Group was included in the Dow Jones Best-in-Class World Index for the first time by S&P Global, alongside its inclusion in the Asia Pacific Index and the 2026 Sustainability Yearbook (Global and China Edition). This placed the Group among the top 10% of the largest 2,500 companies assessed worldwide – a significant milestone as one of the sustainability leaders. At the Real Estate Asia Awards 2026, the Group was recognised as Developer of the Year – Asia, and for the fourth consecutive year, Developer of the Year – Hong Kong. Locally, the Group demonstrated excellence in all three areas of ESG (Environmental, Social and Governance), and was awarded the Grand ESG Award at the Hong Kong Investor Relations Awards 2026. In addition, at the 15th Junzi Corporation Awards, the Group was the only corporate to win the grand Junzi Corporation Award for Exemplary Business Practices for the second consecutive year, in recognition of its commitment to ethical business principles and outstanding contributions to industry progress and community wellbeing.

The Group's G.I.V.E sustainability strategy goes beyond embedding sustainability at the core of its developments and operations. During the period under review, the Group participated actively in the World Green Building Council as a Partner of its Asia Pacific Regional Network; the Hong Kong Green Building Council as Director and Expert Group Members; the Business Environment Council as Committee Members at its Advisory Groups, advancing industry sharing and supporting the development of Hong Kong's first Five-Year Plan in the sustainability space. The Group also continued to sponsor the student ESG challenge that brought together talent from ten local universities to foster multi-disciplinary collaboration.

PROSPECTS

Despite the ongoing Middle East war and disrupted oil shipping routes, Hong Kong's economic fundamentals remain stable. To proactively align with the National 15th Five-Year Plan, the HKSAR Government will formulate Hong Kong's first five-year plan (2026–2030) for economic and social development. This initiative will help Hong Kong better integrate into and serve the overall national development, thereby fostering long-term economic growth for the city.

The Group recently completed the acquisition of all projects spanning Whampoa Street and Baker Street in Hung Hom. Together with other urban redevelopment projects with 100% ownership interest or where the relevant compulsory sale application threshold has been met, the total developable gross floor area attributable to the Group amounted to approximately 1.5 million square feet. In addition, the Group's land bank in the New Territories was approximately 38.4 million square feet, continuing to represent the largest holding among property developers in Hong Kong. The Group's land bank will be sufficient to meet its development needs in the coming years.

Property sales — The Group plans to launch eight development projects in Hong Kong for sale in the second half of 2026. Together with the remaining stock, a total of about 1,700,000 square feet of residential gross floor area or about 3,400 residential units attributable to the Group, as well as about 180,000 square feet of office/industrial space, are expected to be available for sale in Hong Kong in the second half of 2026. At the end of June 2026, attributable sales of Hong Kong and Mainland properties not yet recognised in the accounts, amounted to approximately HK$18,303 million in aggregate. Of this, approximately HK$6,919 million is expected to be recognised in the accounts in the second half of 2026 upon completion of the relevant developments and handover of the completed units to buyers.

Investment Properties — Following the recent completion of The Henderson, which was honoured as the World's Best Property, Phase 1 of Central Yards - another flagship development of the Group located at the New Central Harbourfront - is also expected to be completed in the second half of this year. This will expand the Group's investment property portfolio in Hong Kong to an attributable gross floor area of 11.5 million square feet at the end of 2026 and further enhance its position in the city's Central Business District. Notably, a financial institution has signed an agreement to lease 70%, over 223,000 square feet, of Phase 1 office and ancillary space, thereby injecting growth trajectory into the Group's recurrent rental income.

Listed Subsidiaries and Associates — These provide the Group with another source of recurring income. HKCG, in particular, operates in a vast market of 47 million city-gas customers across Hong Kong and Chinese Mainland. EcoCeres, an associate of HKCG, commenced trial production at its Malaysia plant in 2025. In the first half of the year, overall sales volume of green fuels including sustainable aviation fuel ("SAF") recorded strong growth, reaching 320,000 tonnes, approximately doubled year on year. During the period, EcoCeres and the Dongguan Municipal Government signed an investment letter of intent to establish the Greater Bay Area's first complete SAF value chain, further consolidating its leading market position. Together with continuous expansion into other growth businesses, HKCG will deliver sustainable returns to the Group.

Founded in 1976, the Group has experienced rapid business growth over the past 50 years, emerging as a leading property developer in Hong Kong — an achievement made possible by the unwavering professionalism and dedication of every staff member, who has laid a solid foundation for the Group. Supported by robust financial strength and three core business pillars — property sales, leasing and listed subsidiaries and associates — the Group is poised to build upon its extraordinary legacy spanning half a century, drive sustainable development, and open a new chapter for the future.

TRIBUTE

Mr Kwong Che Keung, Gordon, an Independent Non-executive Director of the Company, the chairman of the Audit Committee and the Corporate Governance Committee, and a member of the Remuneration Committee and the Nomination Committee, passed away on 6 July 2026. Mr Kwong had served as a director of the Company since 2004. Over his 22-year tenure, he made invaluable contributions to the Company. The Board deeply mourns the passing of Mr Kwong.

Dr Lee Ka Kit
Chairman

Dr Lee Ka Shing
Chairman

Hong Kong, 20 August 2026

BUSINESS RESULTS

Consolidated Statement of Profit or Loss
for the six months ended 30 June 2026 – unaudited

	Note	For the six months ended 30 June 2026 HK$ million	2025 HK$ million
Revenue	4, 11(a)	**17,203**	9,552
Direct costs		**(10,884)**	(5,929)
		6,319	3,623
Other net income	5	**92**	305
Selling and marketing expenses		**(899)**	(512)
Administrative expenses		**(1,099)**	(1,112)
Profit from operations before changes in fair value of investment properties and investment properties under development		**4,413**	2,304
Decrease in fair value of investment properties and investment properties under development	6	**(836)**	(427)
Profit from operations after changes in fair value of investment properties and investment properties under development		**3,577**	1,877
Finance costs	7(a)	**(1,190)**	(1,205)
Bank interest income		**312**	272
Net finance costs		**(878)**	(933)
Share of profits less losses of associates		**1,580**	1,280
Share of profits less losses of joint ventures		**1,131**	338
Profit before taxation	7	**5,410**	2,562
Income tax (expense)/credit	8	**(554)**	430
Profit for the period		**4,856**	2,992

Consolidated Statement of Profit or Loss
for the six months ended 30 June 2026 - unaudited (continued)

	Note	For the six months ended 30 June **2026** **HK$ million**	 2025 HK$ million
Attributable to:			
Equity shareholders of the Company		**4,090**	2,908
Non-controlling interests		**766**	84
Profit for the period		**4,856**	2,992
Earnings per share based on profit attributable to equity shareholders of the Company (reported earnings per share)			
Basic	*9(a)(i)*	***HK$0.84***	*HK$0.60*
Diluted	*9(a)(ii)*	***HK$0.81***	*HK$0.60*
Earnings per share excluding the effects of the Group's aggregate attributable share of changes in fair value of investment properties and investment properties under development (net of deferred tax) (underlying earnings per share)			
Basic	*9(b)*	***HK$1.05***	*HK$0.63*
Diluted	*9(b)*	***HK$1.00***	*HK$0.63*

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2026 - unaudited

	For the six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Profit for the period	**4,856**	2,992
Other comprehensive income for the period-net, after tax and reclassification adjustments:		
Items that will not be reclassified to profit or loss:		
- Investments in equity securities designated as financial assets at fair value through other comprehensive income (non-recycling)	**6**	33
- Share of other comprehensive income of associates and joint ventures	**(27)**	(16)
Items that may be reclassified subsequently to profit or loss:		
- Exchange differences	**1,671**	662
- Cash flow hedges	**49**	(173)
- Share of other comprehensive income of associates and joint ventures	**1,378**	903
Other comprehensive income for the period	**3,077**	1,409
Total comprehensive income for the period	**7,933**	4,401
Attributable to:		
Equity shareholders of the Company	**7,142**	4,293
Non-controlling interests	**791**	108
Total comprehensive income for the period	**7,933**	4,401

Consolidated Statement of Financial Position
at 30 June 2026

	Note	**At 30 June 2026 (unaudited) HK$ million**	At 31 December 2025 (audited) HK$ million
Non-current assets			
Investment properties		**280,573**	276,134
Other property, plant and equipment		**6,189**	6,192
Right-of-use assets		**731**	833
Goodwill		**262**	262
Trademarks		**89**	91
Interest in associates		**51,948**	51,435
Interest in joint ventures		**81,993**	82,630
Derivative financial instruments		**330**	271
Other financial assets		**4,186**	4,978
Deferred tax assets		**1,541**	1,564
		427,842	424,390
Current assets			
Deposits for acquisition of properties		**430**	432
Inventories	12	**73,534**	79,621
Trade and other receivables	13	**12,218**	11,589
Cash held by stakeholders		**1,876**	1,151
Cash and bank balances		**21,477**	22,198
		109,535	114,991
Current liabilities			
Trade and other payables	14	**25,694**	24,528
Amounts due to related companies		**2,503**	2,023
Lease liabilities		**268**	277
Bank loans		**6,470**	6,534
Guaranteed notes		**491**	2,797
Tax payable		**1,351**	937
		36,777	37,096
Net current assets		**72,758**	77,895
Total assets less current liabilities		**500,600**	502,285

Consolidated Statement of Financial Position
at 30 June 2026 (continued)

	Note	**At 30 June 2026 (unaudited) HK$ million**	At 31 December 2025 (audited) HK$ million
Non-current liabilities			
Bank loans		**53,547**	54,422
Guaranteed notes		**8,403**	8,001
Convertible bonds		**7,210**	7,120
Amount due to a fellow subsidiary		**76,955**	80,618
Amounts due to related companies		**1,285**	1,520
Derivative financial instruments		**567**	513
Lease liabilities		**496**	593
Provision for reinstatement costs		**16**	16
Deferred tax liabilities		**8,772**	8,596
		157,251	161,399
NET ASSETS		**343,349**	340,886
CAPITAL AND RESERVES			
Share capital		**52,345**	52,345
Other reserves		**273,210**	270,119
Total equity attributable to equity shareholders of the Company		**325,555**	322,464
Non-controlling interests		**17,794**	18,422
TOTAL EQUITY		**343,349**	340,886

Notes:

1 Review of results

The interim results set out in this preliminary announcement do not constitute the Group's condensed interim financial statements for the six months ended 30 June 2026 but are extracted from those financial statements.

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

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

2 Basis of preparation

The condensed interim financial statements have been prepared in accordance with the applicable disclosure provisions of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting* as issued by the HKICPA. They were authorised for issuance on 20 August 2026.

The condensed interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's consolidated financial statements for the year ended 31 December 2025 ("the 2025 financial statements"), except for the accounting policy changes that are expected to be reflected in the Group's consolidated financial statements for the year ending 31 December 2026. Details of these changes in accounting policies are set out in note 3.

The condensed interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 financial statements. The condensed interim financial statements and notes thereon do not include all of the information required for the preparation of a full set of financial statements in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), HKASs and Interpretations as issued by the HKICPA.

2 Basis of preparation (continued)

The financial information relating to the financial year ended 31 December 2025 that is included in the condensed interim financial statements for the six months ended 30 June 2026 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to such statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

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

3 Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. The impacts of adopting these amendments are discussed below.

3 Changes in accounting policies (continued)

Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*

The amendments cover three main aspects:

- The amendments clarify when a financial asset or a financial liability is recognised and derecognised. They also introduce an optional exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled in cash using an electronic payment system, provided that certain specific criteria are met.
- For the assessment of whether a financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, the amendments clarify the assessment of interest and introduce an additional test for the financial assets with contingent features. The amendments also clarify the difference between financial assets with non-recourse features and contractually-linked instruments which may then change the applicable assessments.
- The amendments introduce new disclosures for disposals of investments in equity instruments designated as financial assets at fair value through other comprehensive income, and for financial instruments not measured as financial assets at fair value through profit or loss which contain contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in basic lending risks and costs.

Upon the adoption of the amendments, the Group has elected to apply the exception for the derecognition of certain trade payables settled in cash using qualifying electronic payment system. Under the exception, these trade payables are derecognised when the Group has initiated a payment instruction through a qualifying electronic payment system and, as a result, the Group no longer has the practical ability to withdraw, stop or cancel the payment instruction and to access such cash to be used for settlement and the settlement risk associated with the payment system is insignificant. The Group has applied this election consistently to all settlements made through the same qualifying electronic payment system.

The Group has applied the amendments retrospectively. As permitted by transition requirements, the Group has not restated the reported figures of the prior periods. The application of the amendments and the abovementioned exception do not have a material impact on the Group’s consolidated financial statements for the periods presented.

The Group has not applied any new standard, amendment to standard or interpretation to HKFRSs and HKASs that is not yet effective for the current accounting period.

4 Revenue

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

The major items are analysed as follows:

	For the six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Property development (including sales of properties)	**11,796**	4,008
Rental income	**3,357**	3,363
Department stores and supermarket-cum-stores operations *(note (i))*	**698**	745
Hotel room operation	**157**	156
Other businesses	**1,195**	1,280
Total (note 11(b))	**17,203**	9,552

Note:

(i) Including commission income earned from consignment and concessionaire counters of the department stores operation, and the commission income earned from consignment counters of the supermarket-cum-stores operation, in the aggregate amount of HK$154 million for the six months ended 30 June 2026 (2025: HK$172 million).

In accordance with HKFRS 15, *Revenue from contracts with customers*, (i) revenue from sale of properties and sales of goods from department stores and supermarket-cum-stores operations (including the commission income from consignment and concessionaire counters) are recognised at a point in time; and (ii) revenue from hotel room operation and promotion income from department stores and supermarket-cum-stores operations are recognised over time. Rental income recognised from HKFRS 16, *Leases* is categorically classified as revenue from other sources. In respect of the Group's other businesses, revenue from construction, property management, asset management, project management, security guard and cleaning services in the aggregate amount of HK$485 million (2025: HK$459 million) is recognised over time while the remaining is recognised at a point in time.

At 30 June 2026, the cumulative aggregate amount of revenue expected to be recognised in the consolidated statement of profit or loss in the future from pre-completion sales contracts entered into in relation to the Group's properties held for/under development for sale and completed properties for sale held by the Group's subsidiaries, which are pending assignment in Hong Kong and Chinese Mainland, amounted to HK$12,315 million (31 December 2025: HK$10,915 million) and which will be recognised when the pre-sold properties are assigned to the customers, in relation to which an amount of HK$7,600 million (31 December 2025: HK$8,890 million) is expected to occur within one year and an amount of HK$4,715 million (31 December 2025: HK$2,025 million) is expected to occur within one to two years.

5 Other net income

	For the six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Net gain on disposal of investment properties	**100**	-
Aggregate net gain on sales of property interests (note 11(a))	**100**	-
Provision on inventories, net (note 11(a))	**(106)**	(69)
Net fair value gain on investments measured as financial assets at fair value through profit or loss ("FVPL")	**16**	9
Net fair value (loss)/gain on derivative financial instruments at FVPL:		
- Interest rate swap contracts, cross currency swap contracts, cross currency interest rate swap contracts and foreign exchange forward contracts (for which no hedge accounting was applied during the period)	**(21)**	48
Gain on land resumption *(note (i))*	**115**	(note 11(a)) 240
Impairment loss on trade debtors, net (note 11(c))	**(2)**	(9)
Exchange gain, net	**2**	84
Others	**(12)**	2
	92	305

Note:

(i) On 25 June 2026, the Lands Department of the HKSAR Government had gazetted two notices regarding its order for the resumption by and reversion to the HKSAR Government of the Group's certain land lots in the New Territories, Hong Kong which are required for a public purpose. The land lots held by certain of the Group's subsidiaries subject to resumption by the HKSAR Government comprise (i) an aggregate land area of approximately 58,700 square feet falling within the second phase development of Hung Shui Kiu/Ha Tsuen New Development Area (Fifth Batch) at a cash compensation of approximately HK$61 million; and (ii) an aggregate land area of approximately 192,100 square feet falling within San Tin Technopole (Phase 1) at Yuen Long (Second Batch) at a cash compensation of approximately HK$201 million. The pre-tax gain on resumption of the land lots held by these subsidiaries attributable to both reported profit and underlying profit in the amount of HK$115 million was recognised by the Group for the six months ended 30 June 2026.

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

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

The Group's investment properties and investment properties under development were revalued at 30 June 2026 by Cushman & Wakefield Limited, a firm of professional surveyors who have among their staff Members of The Hong Kong Institute of Surveyors with recent experience in the location and category of properties being valued, on a market value basis.

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

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

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

As a result, a net fair value loss on the Group's investment properties and investment properties under development in Hong Kong and Chinese Mainland (after deducting non-controlling interests' attributable share and deferred tax), excluding those held by associates and joint ventures, in the amount of HK$741 million (2025: HK$208 million) has been recognised in the consolidated statement of profit or loss for the six months ended 30 June 2026 (see note 9(b)).

In aggregate, the Group's attributable share of the net fair value loss (net of deferred tax) on investment properties and investment properties under development held by subsidiaries, associates and joint ventures for the six months ended 30 June 2026 amounted to HK$904 million (2025: HK$132 million).

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

A reconciliation of the abovementioned figures is as follows:

For the six months ended 30 June 2026

	Hong Kong	**Chinese Mainland**	**Total**
	HK$ million	**HK$ million**	**HK$ million**
Fair value gain/(loss) on investment properties and investment properties under development held by			
- subsidiaries (before deducting non-controlling interests' attributable share and deferred tax)	**(222)**	**(614)**	**(836)**
Add/(Less) :			
Deferred tax	**-**	**137**	**137**
Non-controlling interests' attributable share of the net fair value gain (net of deferred tax)	**(33)**	**(9)**	**(42)**
(after deducting non-controlling interests' attributable share and deferred tax) (note 9(b))	**(255)**	**(486)**	**(741)**
- associates (Group's attributable share) (notes 9(b) and 11(a)(iii))	**(86)**	**-**	**(86)**
- joint ventures (Group's attributable share) (notes 9(b) and 11(a)(iv))	**170**	**(247)**	**(77)**
	(171)	**(733)**	**(904)**

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

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

For the corresponding six months ended 30 June 2025

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

7 Profit before taxation

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

		For the six months ended 30 June	
		2026	2025
		HK$ million	HK$ million
(a)	**Finance costs:**		
	Bank loans interest expense	**1,032**	1,252
	Interest expense on guaranteed notes	**176**	277
	Interest expense on convertible bonds at effective interest rate	**110**	-
	Interest expense on other loans	**1,278**	1,216
	Finance cost on lease liabilities	**14**	18
	Other borrowing costs	**70**	70
		2,680	2,833
	Less: Amount capitalised *(note)*	**(1,490)**	(1,628)
	Finance costs (note 11(a))	**1,190**	1,205

Note: *The borrowing costs have been capitalised at weighted average interest rates based on the principal amounts of the Group's bank loans, guaranteed notes, convertible bonds and other loans during the six months ended 30 June 2026 under which interest capitalisation was applicable, ranging from 2.69% to 4.02% (2025: ranging from 3.08% to 4.40%) per annum.*

7 Profit before taxation (continued)

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

	For the six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
(b) Staff costs:		
Salaries, wages and other benefits	**1,535**	1,534
Contributions to defined contribution retirement plans	**61**	60
	1,596	1,594

	For the six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
(c) Other items:		
Amortisation of trademarks	**2**	2
Depreciation		
– on other property, plant and equipment	**90**	86
– on right-of-use assets	**139**	143
	231	231
	(note 11(c))	(note 11(c))
Cost of sales		
– properties for sale	**8,400**	3,299
– trading stocks and consumable stores	**465**	504
Dividend income from investments designated as financial assets at fair value through other comprehensive income (“FVOCI”) (non-recycling) and investments measured as financial assets at FVPL		
– listed	**(5)**	(6)
– unlisted	**-**	(4)

8 Income tax

	For the six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Current tax		
Provision for Hong Kong Profits Tax	**488**	208
Provision for taxation outside Hong Kong	**66**	100
(Over-provision)/provision for Land Appreciation Tax	**(6)**	7
	548	315
Deferred tax		
Origination and reversal of temporary differences	**6**	(745)
Income tax expense/(credit)	**554**	(430)

Provision for Hong Kong Profits Tax has been made at 16.5% (2025: 16.5%) on the estimated assessable profits for the period.

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

Land Appreciation Tax is levied on properties in Chinese Mainland developed by the Group for sale, at progressive rates ranging from 30% to 60% (2025: 30% to 60%) on the appreciation of land value, which under the applicable regulations is calculated based on the revenue from sale of properties less deductible expenditure including lease charges of land use rights, borrowing costs and property development expenditure.

9 Earnings per share

(a) Reported earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to equity shareholders of the Company of HK$4,090 million (2025: HK$2,908 million) and the weighted average number of 4,841 million ordinary shares (2025: 4,841 million ordinary shares) in issue during the period.

(ii) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2026 is calculated by dividing the consolidated profit attributable to equity shareholders of the Company of HK$4,090 million during the period (in relation to which no interest expenses on HK$8,000 million 0.5% guaranteed unsecured convertible bonds due 2030 (the "Bonds") are adjusted for, as they are fully capitalised as the cost of an investment property under development of the Group during the period) by the diluted weighted average number of 5,073 million ordinary shares after adjusting for the effect of full conversion of the Bonds at HK$34.53 per Share (the "Adjusted Conversion Price") which would result in the issuance of an aggregate of 232 million ordinary shares and which has been taken into consideration in the weighted average calculation.

Diluted earnings per share were the same as the basic earnings per share for the corresponding six months ended 30 June 2025 as there were no dilutive potential ordinary shares in existence during that period.

9 Earnings per share (continued)

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are additionally calculated based on the consolidated profit attributable to equity shareholders of the Company after excluding the effects of changes in fair value of investment properties and investment properties under development ("Underlying Profit") of HK$5,071 million (2025: HK$3,048 million). A reconciliation of profit is as follows:

	For the six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Profit attributable to equity shareholders of the Company	**4,090**	2,908
Fair value loss of investment properties and investment properties under development during the period (after deducting non-controlling interests' attributable share and deferred tax) (note 6)	**741**	208
Share of fair value loss/(gain) of investment properties (net of deferred tax) during the period:		
– associates (note 6)	**86**	107
– joint ventures (note 6)	**77**	(183)
The Group's attributable share of the cumulative fair value gain of investment properties disposed of during the period, net of tax (note 11(a)):		
– subsidiaries	**74**	8
– associates and joint ventures	**3**	-
Underlying Profit	**5,071**	3,048
Basic underlying earnings per share, based on the weighted average number of ordinary shares in issue during the period (note 9(a)(i))	**HK$1.05**	HK$0.63
Diluted underlying earnings per share, based on the diluted weighted average number of ordinary shares (note 9(a)(ii))	**HK$1.00**	HK$0.63

10 Dividends

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

	For the six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Interim dividend declared after the interim period of HK$0.50 (2025: HK$0.50) per share	**2,421**	2,421

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

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

	For the six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Final dividend in respect of the previous financial year, approved and paid during the interim period, of HK$0.76 (2025: HK$1.30) per share	**3,679**	6,294

11 Segment reporting

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

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

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

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

(a) Results of reportable segments

Information regarding the Group's and its share of associates and joint ventures on reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2026 and 30 June 2025 is set out below.

11 Segment reporting (continued)

(a) Results of reportable segments (continued)

For the six months ended 30 June 2026	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures				Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue (note (i)) HK$ million	Segment results HK$ million	Share of revenue HK$ million	Share of segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million	Revenue HK$ million	Segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million
Property development									*(note 1)*	*(note 1)*
Hong Kong	11,272	2,559	2,040	1,445	13,312	4,004	(1,434)	(704)	11,878	3,300
Chinese Mainland	524	(47)	490	(376)	1,014	(423)	-	(2)	1,014	(425)
	11,796	2,512	2,530	1,069	14,326	3,581	(1,434)	(706)	12,892	2,875
Property leasing										
Hong Kong	2,531	1,843	1,175	903	3,706	2,746	(189)	(153)	3,517	2,593
Chinese Mainland	826	587	52	17	878	604	(12)	(10)	866	594
(note (ii))	3,357	2,430	1,227	920	4,584	3,350	(201)	(163)	4,383	3,187
Department stores and supermarket-cum-stores operations										
-sale of own goods	571	(23)	-	-	571	(23)	(175)	11	396	(12)
-rental of consignment and concessionaire counters	127	54	-	-	127	54	(39)	(7)	88	47
	698	31	-	-	698	31	(214)	4	484	35
Hotel room operation	157	39	166	64	323	103	(78)	(19)	245	84
Other businesses	1,195	6	192	64	1,387	70	(311)	39	1,076	109
	17,203	5,018	4,115	2,117	21,318	7,135	(2,238)	(845)	19,080	6,290
Utility and energy	-	-	19,285	2,126	19,285	2,126	-	-	19,285	2,126
	17,203	5,018	23,400	4,243	40,603	9,261	(2,238)	(845)	38,365	8,416

11 Segment reporting (continued)

(a) Results of reportable segments (continued)

For the six months ended 30 June 2026 (continued)	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures				Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue *(note (i))* HK$ million	Segment results HK$ million	Share of revenue HK$ million	Share of segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million	Revenue HK$ million	Segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million
Provision on inventories, net	**(note 5)**	(106)		(9)		(115)		-		(115)
Sales of property interests *(note 2)*	**(note 5)**	100		1		101		(36)		65
Unallocated head office and corporate expenses, net		(599)		(16)		(615)		10		(605)
Profit from operations		4,413		4,219		8,632		(871)		7,761
Decrease in fair value of investment properties and investment properties under development		(836)		(194)		(1,030)		(44)		(1,074)
Finance costs	**(note 7(a))**	(1,190)		(612)		(1,802)		44		(1,758)
Bank interest income		312		47		359		(45)		314
Net finance costs		(878)		(565)		(1,443)		(1)		(1,444)
Profit before taxation		2,699		3,460		6,159		(916)		5,243
Income tax expense		(554)		(749)		(1,303)		150		(1,153)
Profit for the period		2,145		2,711		4,856		(766)		4,090

Notes:

(1) The revenue and segment results for the six months ended 30 June 2026 related to the sale of leasehold land and interest income from mortgage loans (of which revenue in the amounts of HK$7 million and HK$60 million respectively and segment profit in the amounts of HK$6 million and HK$54 million respectively) are classified under the "Property development" segment. The pre-tax profit contribution from the property development segment in Hong Kong for the six months ended 30 June 2026 also included the Group's share of pre-tax gain attributable to reported profit in the aggregate amount of HK$1,568 million upon the resumption by the HKSAR Government of the Group's leasehold land during the period.

(2) The Group's attributable share of the realised cumulative fair value gain of investment properties disposed of during the six months ended 30 June 2026 amounted to HK$77 million (note 9(b)). Adding to it the Group's share of net gain attributable to reported profit on disposal of investment properties of HK$65 million (see above) for the six months ended 30 June 2026, the Group's share of the realised gain from the sales of property interests attributable to underlying profit amounted to HK$142 million (which includes an amount of HK$123 million related to "The Legacy" project) during the six months ended 30 June 2026.

11 Segment reporting (continued)

(a) Results of reportable segments (continued)

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

	Property development HK$ million	Property leasing HK$ million	Hotel room operation HK$ million	Other businesses HK$ million	Sub-total HK$ million	Utility and energy HK$ million	Total HK$ million
For the six months ended 30 June 2026							
Share of profits less losses of associates *(note (iii))*							
- Material listed associate The Hong Kong and China Gas Company Limited	-	88	7	(458)	(363)	1,881	1,518
- Other listed associates and unlisted associates	-	(16)	-	78	62	-	62
	-	72	7	(380)	(301)	1,881	1,580
Share of profits less losses of joint ventures *(note (iv))*	780	401	34	(84)	1,131	-	1,131
	780	473	41	(464)	830	1,881	2,711

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

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

11 Segment reporting (continued)

(a) Results of reportable segments (continued)

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

Notes:

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

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

11 Segment reporting (continued)

(a) Results of reportable segments (continued)

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

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

11 Segment reporting (continued)

(a) Results of reportable segments (continued)

Notes:

(i) *The revenue figures above are arrived at after the elimination of inter-segment revenues, in the amounts of HK$190 million (2025: HK$216 million) and HK$1,306 million (2025: HK$1,238 million) in relation to the reportable segments under "Property leasing" and "Others", respectively.*

(ii) *Revenue for the "Property leasing" segment comprised rental income of HK$2,858 million (2025: HK$2,890 million) and rental-related income of HK$499 million (2025: HK$473 million), which in aggregate amounted to HK$3,357 million for the six months ended 30 June 2026 (2025: HK$3,363 million)(see note 4).*

(iii) *The Group's share of profits less losses of associates contributed from the "Property leasing" segment during the period of HK$72 million (2025: HK$42 million) included the Group's attributable share of net decrease in fair value of investment properties (net of deferred tax) during the period of HK$86 million (2025: HK$107 million) (see note 6).*

The Group's share of losses less profits of associates contributed from the "Other businesses" segment during the period of HK$380 million (2025: HK$342 million) included the Group's attributable share of profit after tax from hotel management (other than hotel room operation) during the period of HK$2 million (2025: HK$1 million).

(iv) *The Group's share of profits less losses of joint ventures contributed from the "Property leasing" segment during the period of HK$401 million (2025: HK$631 million) included the Group's attributable share of net decrease in fair value of investment properties (net of deferred tax) during the period of HK$77 million (2025: attributable share of net increase in fair value of investment properties (net of deferred tax) of HK$183 million) (see note 6).*

The Group's share of losses less profits of joint ventures contributed from the "Other businesses" segment during the period of HK$84 million (2025: HK$140 million) included the Group's attributable share of profit after tax from hotel management (other than hotel room operation) during the period of HK$6 million (2025: HK$4 million).

11 Segment reporting (continued)

(b) Geographical information

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

	Revenue from external customers		**Specified non-current assets**	
	For the six months ended 30 June		**At 30 June**	At 31 December
	2026	2025	**2026**	2025
	HK$ million	HK$ million	**HK$ million**	HK$ million
Hong Kong	**15,612**	7,423	**352,743**	349,941
Chinese Mainland	**1,591**	2,129	**69,004**	67,597
The United Kingdom	**-**	-	**38**	39
	17,203	9,552	**421,785**	417,577
	(note 4)	(note 4)		

(c) Other segment information

	Depreciation and amortisation		**(Reversal of impairment loss)/impairment loss on trade debtors, net**	
	For the six months ended 30 June		**For the six months ended 30 June**	
	2026	2025	**2026**	2025
	HK$ million	HK$ million	**HK$ million**	HK$ million
Property development	**25**	26	**(2)**	4
Property leasing	**15**	12	**4**	5
Department stores and supermarket-cum-stores operations				
-sale of own goods	**62**	65	**-**	-
-rental of consignment and concessionaire counters	**3**	3	**-**	-
Hotel room operation	**38**	37	**-**	-
Other businesses	**88**	88	**-**	-
	231	231	**2**	9
	(note 7(c))	(note 7(c))	**(note 5)**	(note 5)

12 Inventories

	At 30 June 2026 HK$ million	At 31 December 2025 HK$ million
Property development		
Leasehold land held for development for sale	**9,451**	9,530
Properties held for/under development for sale	**33,637**	35,844
Completed properties for sale	**30,331**	34,126
	73,419	79,500
Other operations		
Trading stocks and consumable stores	**115**	121
	73,534	79,621

13 Trade and other receivables

		At 30 June 2026	At 31 December 2025
		HK$ million	HK$ million
(i)	**Debtors and current receivables**		
	Trade receivables	**303**	293
	Instalments receivable	**73**	82
	Sub-total: Trade debtors	**376**	375
	Other debtors	**5,324**	5,045
	Prepayments and deposits	**3,590**	3,661
	Gross amount due from customers for contract work [^]	**14**	14
	Amounts due from associates	**29**	29
	Amounts due from joint ventures	**53**	36
		9,386	9,160
(ii)	**Other current financial assets**		
	Loans receivable	**1,851**	1,273
	Financial assets measured at FVPL	**904**	922
	Derivative financial instruments	**77**	234
		2,832	2,429
		12,218	11,589

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

Included in other debtors is an amount receivable of HK$1,864 million (31 December 2025: HK$1,864 million) which was overdue at 30 June 2026, but which is pledged against certain collaterals provided by the debtor.

Loans receivable, of which HK$1,737 million (31 December 2025: HK$1,163 million) are secured and interest-bearing at interest rates of 5.5% and Hong Kong Interbank Offered Rate ("HIBOR") plus 2.25% (31 December 2025: interest rates of 5.5% and HIBOR plus 2.25%) per annum, and HK$114 million (31 December 2025: HK$110 million) are unsecured and interest-bearing at interest rate of 6.0% (31 December 2025: 6.0%) per annum, are both expected to be recovered within one year from the end of the reporting period, and were both not past due at 30 June 2026 and 31 December 2025.

13 Trade and other receivables (continued)

All of the trade and other receivables are expected to be recovered or recognised as expense within one year except for various deposits, prepayments and other debtors of HK$4,016 million (31 December 2025: HK$4,177 million) which are expected to be recovered after more than one year from the end of the reporting period.

The amounts due from associates and joint ventures at 30 June 2026 and 31 December 2025 are unsecured, interest-free, have no fixed terms of repayment and were not past due at 30 June 2026 and 31 December 2025.

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

	At 30 June 2026 HK$ million	At 31 December 2025 HK$ million
Current or up to 1 month	**228**	239
More than 1 month and up to 3 months	**48**	42
More than 3 months and up to 6 months	**27**	33
More than 6 months	**73**	61
	376	375

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

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

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

14 Trade and other payables

	At 30 June 2026 HK$ million	At 31 December 2025 HK$ million
Creditors and accrued expenses	**8,683**	8,934
Gross amount due to customers for contract work[(#)]	**12**	10
Rental and other deposits received	**2,079**	2,071
Forward sales deposits received and other contract liabilities [(#)]	**5,092**	3,943
Derivative financial instruments	**331**	344
Amounts due to associates	**1,569**	1,548
Amounts due to joint ventures	**7,928**	7,678
	25,694	24,528

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

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

	At 30 June 2026 HK$ million	At 31 December 2025 HK$ million
Due within 1 month or on demand	**2,246**	1,564
Due after 1 month but within 3 months	**625**	892
Due after 3 months but within 6 months	**509**	327
Due after 6 months	**2,257**	2,547
	5,637	5,330

The amounts due to associates and joint ventures at 30 June 2026 and 31 December 2025 are unsecured, interest-free and have no fixed terms of repayment except for aggregate amounts due to certain associates and certain joint ventures of HK$837 million (31 December 2025: HK$849 million) which are unsecured, interest-bearing at interest rates ranging from Renminbi ("RMB") Loan Prime Rate minus 0.65% to RMB Loan Prime Rate and 20% below the RMB Loan Prime Rate (31 December 2025: interest rates of 2.92% and ranging from RMB Loan Prime Rate minus 0.65% to RMB Loan Prime Rate) per annum and wholly repayable between 3 July 2026 and 22 April 2027 (31 December 2025: between 20 January 2026 and 23 October 2026).

15 Non-adjusting event after the reporting period

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

Financial review

Results of operations

The following discussions should be read in conjunction with the Company's unaudited condensed consolidated financial statements for the six months ended 30 June 2026.

Revenue and profit

	Revenue			*Profit/(loss) contribution from operations*		
	Six months ended 30 June		*Increase / (Decrease)*	***Six months ended 30 June***		
	2026	2025		**2026**	2025	*Increase*
	HK$ million	HK$ million	*%*	**HK$ million**	HK$ million	*%*
Reportable segments						
- Property development	**11,796**	4,008	*+194%*	**2,512**	344	*+630%*
- Property leasing	**3,357**	3,363	-	**2,430**	2,427	-
- Department stores and supermarket-cum-stores operations	**698**	745	*-6%*	**31**	29	*+7%*
- Hotel room operation	**157**	156	*+1%*	**39**	36	*+8%*
- Other businesses	**1,195**	1,280	*-7%*	**6**	(30)	*+120%*
	17,203	9,552	*+80%*	**5,018**	2,806	*+79%*

	Six months ended 30 June		
	2026	2025	*Increase*
	HK$ million	HK$ million	*%*
Profit attributable to equity shareholders of the Company			
- excluding the Group's attributable share of changes in fair value of investment properties and investment properties under development (net of deferred taxation) held by the Group's subsidiaries, associates and joint ventures ("Underlying Profit") *(Note)*	**5,071**	3,048	*+66%*
- including the Group's attributable share of changes in fair value of investment properties and investment properties under development (net of deferred taxation) held by the Group's subsidiaries, associates and joint ventures	**4,090**	2,908	*+41%*

Note :

Underlying profit attributable to equity shareholders of the Company ("Underlying Profit") excludes the Group's attributable share of fair value change (net of deferred tax) of the investment properties and investment properties under development held by subsidiaries, associates and joint ventures. In order to fully exclude the aforesaid effects of changes in fair value from the Underlying Profit, the Group's attributable share of the cumulative fair value gain (net of tax) of investment properties disposed of during the period (which has been included in calculating the net gain on disposal of investment properties and hence the profit attributable to equity shareholders of the Company during the period) of HK$77 million (2025: HK$8 million) was added back in arriving at the Underlying Profit.

Below is the comparison of the Underlying Profits for the six months ended 30 June 2026 and 30 June 2025 by excluding (i) certain fair value adjustments; and (ii) the gains on land resumption by the HKSAR Government for both periods:-

	Six months ended 30 June			
	2026	2025	*Increase*	
	HK$ million	HK$ million	*HK$ million*	*%*
Underlying Profit	**5,071**	3,048	*2,023*	*+66%*
Add / (Less) :				
(i) Net fair value loss / (gain) on derivative financial instruments measured at fair value through profit or loss relating to certain interest rate swap contracts, cross currency swap contracts, cross currency interest rate swap contracts and foreign exchange forward contracts for which no hedge accounting was applied during the period	**21**	(48)	*69*	
(ii) Post-tax gain on land resumption by the HKSAR Government of the Group's land sites in the New Territories, Hong Kong attributable to underlying profit (as referred to in the paragraph headed "*Resumption of certain land lots by the HKSAR Government*" below)	**(1,278)**	(233)	*(1,045)*	
	3,814	2,767	*1,047*	*+38%*

Discussions on the major reportable segments are set out below.

Property development

The gross revenue and pre-tax profit contributions from the property development segment in Hong Kong, for both periods of six months ended 30 June 2026 and 30 June 2025, comprised the gross revenue and pre-tax profit contributions generated from the sales of properties, gain on land resumption by the HKSAR Government and interest income from mortgage loans.

Gross revenue - subsidiaries and by geographical contribution

The gross revenue from property sales during the six months ended 30 June 2026 and 30 June 2025 generated by the Group's subsidiaries, and by geographical contribution, were as follows:-

	Six months ended 30 June			
	2026	2025	*Increase/(Decrease)*	
	HK$ million	HK$ million	*HK$ million*	*%*
By geographical contribution:				
Hong Kong	**11,272**	3,019	*8,253*	*+273%*
Chinese Mainland	**524**	989	*(465)*	*-47%*
	11,796	4,008	*7,788*	*+194%*

The gross revenue from property sales in Hong Kong of HK$11,272 million during the six months ended 30 June 2026 was mainly contributed from the following residential development projects completed before 1 January 2026, and the sold units of which were delivered to the buyers during the period:

(i) HK$4,055 million from “The Legacy” in Mid-Levels, Hong Kong Island;

(ii) HK$2,049 million from “Henley Park” and “The Henley (Phases 1 to 3)” in The Kai Tak Development Area, Kowloon;

(iii) HK$1,303 million from “The Haddon” in Hung Hom, Kowloon;

(iv) HK$1,133 million from “Eight Southpark” in Ma Tau Kok, Kowloon;

(v) HK$1,050 million from “The Paddington” in Cheung Sha Wan, Kowloon; and

(vi) HK$758 million from “Belgravia Place Phase 1” in Cheung Sha Wan, Kowloon.

Although the residential project of “Belgravia Place Phase 2” in Cheung Sha Wan, Kowloon was completed in June 2026, the sold units of this project are scheduled for delivery to the buyers in the second half of 2026 and therefore no revenue and profit contributions have been recognised from this project for the six months ended 30 June 2026.

The gross revenue from property sales in Chinese Mainland of HK$524 million during the six months ended 30 June 2026 was mainly contributed as to HK$523 million from the “Changan Project” in Shijiazhuang, being a residential development project completed before 1 January 2026 and the sold units of which were delivered to the buyers during the period.

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

The Group’s attributable share of pre-tax profits/(losses) from property development, by geographical contribution and from subsidiaries (after deducting non-controlling interests), associates and joint ventures during the six months ended 30 June 2026 and 30 June 2025, were as follows:-

	Six months ended 30 June			
	2026	2025	*Increase*	
	HK$ million	HK$ million	*HK$ million*	*%*
By geographical contribution:				
Hong Kong	**3,300**	310	*2,990*	*+965%*
Chinese Mainland	**(425)**	(108)	*(317)*	*+294%*
	2,875	202	*2,673*	*+1,323%*

The increase in the Group's attributable share of pre-tax profits from property development in Hong Kong during the six months ended 30 June 2026 of HK$2,990 million (or 965%) was mainly due to (i) the Group's attributable share of pre-tax profit contribution of HK$1,295 million from the property sales of "The Legacy" during the period (2025: Nil); and (ii) the Group's share of pre-tax gain attributable to reported profit in aggregate amount of HK$1,568 million upon the resumption by and reversion to the HKSAR Government of the Group's certain land lots in the New Territories which are required for a public purpose, under two notices gazetted by the Lands Department by order of the HKSAR Government on 25 June 2026 (the "Resumption Order"), the details of which are referred to in the paragraph headed "Resumption of certain land lots by the HKSAR Government" below and which demonstrated an increase of HK$1,328 million compared with the Group's pre-tax gain on land resumption of HK$240 million recognised during the corresponding period of six months ended 30 June 2025.

The increase in the Group's attributable share of pre-tax losses from property sales in Chinese Mainland during the six months ended 30 June 2026 of HK$317 million (or 294%) was mainly due to the increase in the Group's attributable share of pre-tax loss contributions from "Panyu Project" in Guangzhou, "Chancheng Project" in Foshan and "La Botanica" in Xian (all being projects held by the Group's joint ventures).

	Six months ended 30 June			
	2026	2025	*Increase*	
	HK$ million	HK$ million	*HK$ million*	*%*
By contribution from subsidiaries (after deducting non-controlling interests), associates and joint ventures:				
Subsidiaries	**1,806**	330	*1,476*	*+447%*
Associates	**1**	-	*1*	*Not applicable*
Joint ventures	**1,068**	(128)	*1,196*	*+934%*
	2,875	202	*2,673*	*+1,323%*

The increase of HK$1,476 million (or 447%) in the Group's attributable share of pre-tax profits from property sales of the Group's subsidiaries during the six months ended 30 June 2026 was mainly due to the Group's attributable share of pre-tax profit contribution of HK$1,295 million from the property sales of "The Legacy" in Hong Kong during the period (2025: Nil) as referred to above.

The increase of HK$1,196 million (or 934%) in the Group's attributable share of pre-tax profits from property sales of the Group's joint ventures during the six months ended 30 June 2026 was mainly due to the Group's share of pre-tax gain attributable to reported profit in aggregate amount of HK$1,453 million in relation to the land lots in the New Territories, Hong Kong held by the

Group's certain joint ventures which are subject to the Resumption Order, but which amount was partially offset by the increase of the Group's attributable share of pre-tax loss from property sales of the joint ventures in Chinese Mainland in the amount of HK$282 million.

Property leasing

Gross revenue – subsidiaries and by geographical contribution

The gross revenue from property leasing during the six months ended 30 June 2026 and 30 June 2025 generated by the Group's subsidiaries, and by geographical contribution, were as follows:-

	Six months ended 30 June		*Increase/(Decrease)*	
	2026	2025		
	HK$ million	HK$ million	*HK$ million*	*%*
By geographical contribution:				
Hong Kong	**2,531**	2,474	*57*	*+2%*
Chinese Mainland	**826**	889	*(63)*	*-7%*
	3,357	3,363	*(6)*	*-*

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

The Group's attributable share of pre-tax net rental income, by geographical contribution and from subsidiaries (after deducting non-controlling interests), associates and joint ventures during the six months ended 30 June 2026 and 30 June 2025, were as follows:-

	Six months ended 30 June		*Increase/(Decrease)*	
	2026	2025		
	HK$ million	HK$ million	*HK$ million*	*%*
By geographical contribution:				
Hong Kong	**2,593**	2,483	*110*	*+4%*
Chinese Mainland	**594**	661	*(67)*	*-10%*
	3,187	3,144	*43*	*+1%*
By contribution from subsidiaries (after deducting non-controlling interests), associates and joint ventures:				
Subsidiaries	**2,267**	2,264	*3*	*-*
Associates	**250**	236	*14*	*+6%*
Joint ventures	**670**	644	*26*	*+4%*
	3,187	3,144	*43*	*+1%*

For Hong Kong, on an overall portfolio basis, there was a year-on-year increase of HK$57 million (or 2%) in rental revenue contribution and a year-on-year increase of HK$110 million (or 4%) in the Group's attributable share of pre-tax net rental income contribution for the six months ended 30 June 2026. During the six months ended 30 June 2026, there were year-on-year increases of (i) HK$73 million in the pre-tax net rental income contributions from the investment properties held by the Group's subsidiaries (mainly in relation to "The Henderson" whose occupancy rate had increased from around 80% at the end of June 2025 to over 90% at the end of June 2026); and (ii) HK$37 million in the Group's attributable share of pre-tax net rental income contributions from the investment properties held by associates and joint ventures (mainly in relation to the investment properties held by Hong Kong Ferry (Holdings) Company Limited, a listed associate of the Group, and the "International Finance Centre" ("ifc") project which is held by a joint venture of the Group).

For Chinese Mainland, on an overall portfolio basis, there was a year-on-year decrease of HK$63 million (or 7%) in rental revenue contribution and a year-on-year decrease of HK$67 million (or 10%) in the Group's attributable share of pre-tax net rental income contribution for the six months ended 30 June 2026. Based on the average exchange rates between the Renminbi ("RMB") and Hong Kong dollars ("HKD") for the two financial periods of six months ended 30 June 2026 and 30 June 2025, there was a year-on-year appreciation of RMB against HKD by approximately 4% during the six months ended 30 June 2026, and excluding the effect of foreign currency translation, there was in RMB terms:

(i) a year-on-year decrease in the Group's attributable share of rental revenue of 10% which was mainly attributable to the decrease in rental revenue contributions from "World Financial Centre" in Beijing and certain investment properties in Shanghai due to lower average occupancy rates and reduced rental rates during the six months ended 30 June 2026 compared with those for the corresponding six months ended 30 June 2025; and

(ii) a year-on-year decrease in the Group's attributable share of pre-tax net rental income of 15% which was also mainly attributable to the decrease in rental revenue contributions from "World Financial Centre" in Beijing and certain investment properties in Shanghai for the reason as referred to above.

Department stores and supermarket-cum-stores operations

Department stores and supermarket-cum-stores operations are carried out by Citistore (Hong Kong) Limited ("Citistore") and Unicorn Stores (HK) Limited ("Unicorn") respectively, both being wholly-owned subsidiaries of Henderson Investment Limited, a non-wholly owned listed subsidiary of the Group. For the six months ended 30 June 2026, revenue contribution amounted to HK$698 million (2025: HK$745 million) which represented a year-on-year decrease of HK$47 million (or 6%) from that for the corresponding six months ended 30 June 2025. The decrease in revenue during the six months ended 30 June 2026 was mainly attributable to the fall in retail sales of the Group due to (i) the expansion of cross-border e-commerce operators in Hong Kong which further eroded local market share while local retailers engaged in aggressive promotion activities which intensified competitive pressure; and (ii) the continuing increase in outbound travel, and cross-border consumption and shopping.

Profit contribution (after the elimination of rental expenditure payable by Citistore and Unicorn to the Group, in respect of certain store premises leased by Citistore and Unicorn from the Group for business operation) for the six months ended 30 June 2026 increased by HK$2 million (or 7%) to HK$31 million (2025: HK$29 million). The increase in profit contribution was mainly attributable to the better cost control and savings in operating expenditures during the six months ended 30 June 2026.

Hotel room operation

This mainly relates to the sales of hotel rooms by Miramar Hotel and Investment Company, Limited ("Miramar", a non-wholly owned listed subsidiary of the Group) in respect of "The Mira

Hong Kong Hotel" and "Mira Moon Hotel", being the two hotels operated by Miramar in Hong Kong.

During the six months ended 30 June 2026, revenue amounted to HK$157 million (2025: HK$156 million) and pre-tax profit amounted to HK$39 million (2025: HK$36 million), representing a year-on-year increase in revenue of HK$1 million (or 1%) and a year-on-year increase in pre-tax profit of HK$3 million (or 8%). The almost flat performance of revenue contribution for the period under review was mainly due to the offsetting effect between an increase in the average daily room rate by 4% and a decrease in the average occupancy rate by 7 percentage points during the period, which was due to the partial renovation of the guestrooms of "The Mira Hong Kong Hotel" since June 2025. The more remarkable increase in pre-tax profit contribution for the period under review, in percentage terms, was due to the decrease in staff costs and expenditures on cleaning and supplies of the two hotels during the period.

Other businesses

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

Revenue and pre-tax profit contribution from other businesses for the six months ended 30 June 2026 amounted to HK$1,195 million and HK$6 million respectively, representing:

(a) a decrease in revenue of HK$85 million (or 7%) from the revenue contribution of HK$1,280 million for the corresponding six months ended 30 June 2025, which was mainly attributable to the decrease in revenue contribution of HK$113 million from the Group's travel operations mainly due to the geopolitical instability arising from the war in the Middle East which affected group tour operations in that region, but was partially offset by the increase in revenue contribution of HK$31 million from the Group's food and beverage operations mainly due to the commencement of operations of the hospitality banqueting and catering services at "The Cloud" atop "The Henderson", Hong Kong;

and

(b) an increase in pre-tax profit contribution of HK$36 million (or 120%) over and above the pre-tax loss contribution of HK$30 million for the corresponding six months ended 30 June 2025, which was mainly attributable to the decrease in pre-tax loss contribution of HK$15 million from the Group's food and beverage operations for the reason as referred to above, the decrease in pre-tax loss contribution of HK$12 million from the Group's construction activities and the increase in pre-tax profit contribution of HK$8 million from the Group's property and assets management activities during the period.

Associates

The Group's attributable share of post-tax profits less losses of associates during the six months ended 30 June 2026 amounted to HK$1,580 million (2025: HK$1,280 million), representing an increase of HK$300 million (or 23%) over that for the corresponding six months ended 30 June 2025. Excluding the Group's attributable share of changes in fair value of investment properties held by the associates (net of deferred taxation) during the two periods, the Group's attributable share of the underlying post-tax profits less losses of associates for the six months ended 30 June 2026 amounted to HK$1,669 million (2025: HK$1,387 million), representing an increase of

HK$282 million (or 20%) over that for the corresponding six months ended 30 June 2025. Such year-on-year increase in the underlying post-tax profits during the six months ended 30 June 2026 was mainly due to the year-on-year increase of HK$281 million in the Group's attributable share of post-tax underlying profit contribution from The Hong Kong and China Gas Company Limited (a listed associate of the Group) which arose mainly from its growth business engaged in the advanced biofuels production.

Joint ventures

The Group's attributable share of post-tax profits less losses of joint ventures during the six months ended 30 June 2026 amounted to HK$1,131 million (2025: HK$338 million), representing an increase of HK$793 million (or 235%) over that for the corresponding six months ended 30 June 2025. Excluding the Group's attributable share of changes in fair value of investment properties held by the joint ventures (net of deferred taxation) during the two periods, the Group's attributable share of the underlying post-tax profits less losses of joint ventures for the six months ended 30 June 2026 amounted to HK$1,208 million (2025: HK$155 million), representing an increase of HK$1,053 million (or 679%) over that for the corresponding six months ended 30 June 2025. Such year-on-year increase in the underlying post-tax profits during the six months ended 30 June 2026 was mainly due to the Group's attributable share of net post-tax gains of HK$1,173 million on land resumption by the HKSAR Government of land sites held by the Group's certain joint ventures falling within the second phase development of Hung Shui Kiu/Ha Tsuen New Development Area (Fifth Batch) and San Tin Technopole (Phase 1) at Yuen Long (Second Batch) in Hong Kong, the details of which are referred to in the paragraph headed "Resumption of certain land lots by the HKSAR Government" below (2025: Nil).

Finance costs

Finance costs (comprising interest expense and other borrowing costs) before interest capitalisation for the six months ended 30 June 2026 amounted to HK$2,680 million (2025: HK$2,833 million), which included finance costs relating to the HK$8,000 million convertible bonds issued by the Group in July 2025 (as referred to in the paragraph headed "Issuance of a convertible bond during the previous year ended 31 December 2025" below) based on the effective interest rate in the amount of HK$110 million (2025: Nil).

Finance costs after interest capitalisation for the six months ended 30 June 2026 amounted to HK$1,190 million (2025: HK$1,205 million), and after set-off against the Group's bank interest income of HK$312 million for the six months ended 30 June 2026 (2025: HK$272 million), the Group recognised net finance costs in the Group's consolidated statement of profit or loss for the six months ended 30 June 2026 in the amount of HK$878 million (2025: HK$933 million).

The Group's overall effective borrowing rate for the six months ended 30 June 2026 was approximately 3.30% per annum (2025: approximately 3.67% per annum).

Revaluation of investment properties and investment properties under development

The Group recognised a decrease in fair value on its investment properties and investment properties under development (before deferred taxation and non-controlling interests) of HK$836 million in the consolidated statement of profit or loss for the six months ended 30 June 2026 (2025: a decrease in fair value of HK$427 million).

Financial resources and liquidity

Medium Term Note Programme

At 30 June 2026, the aggregate carrying amount of notes guaranteed by the Company and issued under the Group's Medium Term Note Programme established on 30 August 2011 ("MTN Programme") and under which the Company had on 6 May 2022 increased the maximum aggregate principal amount of notes outstanding at any one time from US$5,000 million to US$7,000 million, was HK$8,894 million (31 December 2025: HK$10,798 million) with tenures of between two years and twenty years (31 December 2025: between two years and twenty years).

During the six months ended 30 June 2026, the Group issued a Hong Kong dollar-denominated guaranteed note under the MTN Programme in the principal amount of HK$800 million (2025: two Hong Kong dollar-denominated guaranteed notes in the aggregate principal amount of HK$400 million) with tenure of seven years (2025: tenures of two years and three years). Such guaranteed notes issued by the Group serve to finance the Group's capital expenditure requirements as referred to in the paragraph headed "Capital commitments" below. These notes are included in the Group's bank and other borrowings at 30 June 2026 and 31 December 2025 as referred to in the paragraph headed "Maturity profile and interest cover" below. During the six months ended 30 June 2026, the Group repaid certain guaranteed notes in the aggregate equivalent principal amount of HK$2,700 million (2025: HK$9,619 million) under the MTN Programme.

Maturity profile and interest cover

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

	At 30 June 2026 HK$ million	At 31 December 2025 HK$ million
Bank and other borrowings (including the debt component of the HK$8,000 million convertible bonds issued by the Group in July 2025) repayable:		
- Within 1 year	**6,961**	9,331
- After 1 year but within 2 years	**15,908**	15,175
- After 2 years but within 5 years	**34,803**	36,749
- After 5 years	**18,449**	17,619
Amounts due to related companies	**3,788**	3,543
Total debt	**79,909**	82,417
Less:		
Cash and bank balances	**(21,477)**	(22,198)
Net debt	**58,432**	60,219
Shareholders' funds	**325,555**	322,464
Gearing ratio (%)	**17.9%**	18.7%

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

At 30 June 2026, the Group's total debt comprised (i) bank and other borrowings in Hong Kong, being bank loans of HK$57,377 million (31 December 2025: HK$58,230 million), guaranteed notes of HK$8,894 million (31 December 2025: HK$10,798 million) and the debt component of HK$7,210 million (31 December 2025: HK$7,120 million) in relation to the HK$8,000 million convertible bonds issued by the Group in July 2025; (ii) bank borrowings in Chinese Mainland in the equivalent amount of HK$2,640 million (31 December 2025: in the equivalent amount of HK$2,726 million); and (iii) amounts due to related companies in the equivalent amount of HK$3,788 million (31 December 2025: in the equivalent amount of HK$3,543 million), which in aggregate amounted to HK$79,909 million (31 December 2025: HK$82,417 million). The bank and other borrowings in Hong Kong are unsecured and have a weighted average debt maturity profile of approximately 3.80 years (31 December 2025: approximately 3.81 years). The bank borrowings in Chinese Mainland are unsecured and have a weighted average debt maturity profile of approximately 2.55 years (31 December 2025: approximately 3.16 years). The amounts due to related companies are unsecured and have a weighted average debt maturity profile of approximately three years (31 December 2025: approximately three years).

In addition, at 30 June 2026, there was an amount due from the Group to a fellow subsidiary (being a wholly-owned subsidiary of the ultimate controlling party of the Group) of HK$76,955 million (31 December 2025: HK$80,618 million) which is unsecured, interest-bearing and has no fixed repayment terms.

At 30 June 2026, after taking into account the effect of swap contracts, 35% (31 December 2025: 37%) of the Group's total debt carried fixed interest rates.

The interest cover of the Group is calculated as follows:

	Six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Profit from operations (including the cumulative fair value change (net of tax) of investment properties disposed of during the period, but before changes in fair value of investment properties and investment properties under development for the period) plus the Group's share of the underlying profits less losses of associates and joint ventures ("Underlying Operating Profit")	**7,364**	3,854
Net interest expense (before interest capitalisation)	**2,284**	2,473
Interest cover (times)	**3.22**	1.56

The year-on-year increase in the Underlying Operating Profit for the six months ended 30 June 2026 is mainly due to the year-on-year increase in pre-tax profit contribution from the Group's property development segment in Hong Kong, as further described in the paragraph headed "Property development" above.

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

Treasury and financial management

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

The Group conducts its business primarily in Hong Kong with the related cash flows, assets and liabilities being denominated mainly in Hong Kong dollars. The Group's primary foreign exchange exposure at 30 June 2026 arose from its property developments and investments in Chinese Mainland which were denominated in RMB, the guaranteed notes ("Notes") which were denominated in United States dollars and Japanese Yen ("¥") and the bank borrowings which were denominated in ¥ and RMB at 30 June 2026.

In respect of the Group's operations in Chinese Mainland, apart from its capital contributions and, in some cases, loan contributions to projects which are denominated in RMB and are not hedged, the Group endeavours to establish a natural hedge by maintaining an appropriate level of external borrowings in RMB. In respect of the Notes and bank borrowings in Hong Kong at each of 30 June 2026 and 31 December 2025, hedging arrangements had been made by the Group with certain counterparty banks which comprised (i) interest rate swap contracts; (ii) cross currency swap contracts; (iii) cross currency interest rate swap contracts; and (iv) foreign exchange forward contracts to hedge against interest rate risk and foreign currency risk during their tenure. Based on the abovementioned swap and forward contracts, the aggregate amount of the Notes and bank borrowings in Hong Kong which were hedged against the interest rate risk only, the foreign currency risk only and both the interest rate risk and foreign currency risk, was HK$11,437 million at 30 June 2026 (31 December 2025: HK$15,282 million) which represented 14% of the Group's total debt at 30 June 2026 (31 December 2025: 19%).

Material acquisitions and disposals

There were no material acquisitions and disposals during the period under review.

Resumption of certain land lots by the HKSAR Government

On 25 June 2026, the Lands Department of the HKSAR Government had gazetted two notices regarding its order for the resumption by and reversion to the HKSAR Government of the Group's certain land lots in the New Territories, Hong Kong which are required for a public purpose. The Group's attributable share of land lots which is subject to resumption by the HKSAR Government comprises (i) an aggregate land area of approximately 102,700 square feet falling within the second phase development of Hung Shui Kiu/Ha Tsuen New Development Area (Fifth Batch) at a cash compensation of approximately HK$107 million; and (ii) an aggregate land area of approximately 2,149,400 square feet falling within San Tin Technopole (Phase 1) at Yuen Long (Second Batch) at a cash compensation of approximately HK$2,231 million. The post-tax gain on land resumption attributable to both reported profit and underlying profit in the amount of HK$1,278 million was recognised by the Group for the six months ended 30 June 2026.

During the corresponding six months ended 30 June 2025, the Group recognised resumption proceeds of HK$353 million from the HKSAR Government in relation to the Group's leasehold land held for development for sale measuring an aggregate attributable land area of about 330,000 square feet held in Yuen Long South and Kam Tin, the New Territories, Hong Kong, resulting in a post-tax gain on land resumption for the Group attributable to both reported profit and underlying profit in the amount of HK$233 million for the corresponding six months ended 30 June 2025.

Issuance of a convertible bond during the previous year ended 31 December 2025

Under a subscription agreement dated 8 July 2025, on 16 July 2025, an indirect wholly-owned subsidiary of the Company (the "Issuer") through an independent financial institution as sole lead manager completed the issuance of HK$8,000 million 0.5% guaranteed unsecured convertible bonds due 2030 (the "Bonds") which are convertible into fully-paid shares ("Shares") in the share capital of the Company (the "Conversion Shares") at the option of the holders of the Bonds. The conversion price of the conversion of the Bonds into Conversion Shares is currently adjusted to HK$34.53 (the "Adjusted Conversion Price") while being subject to further adjustments, and the maturity date of the Bonds is 16 July 2030. The due payment of all amounts to be payable by the Issuer and the due performance by the Issuer of its obligations under the Bonds have been unconditionally and irrevocably guaranteed by the Company. The net proceeds from the issue of the Bonds (net of expenses) amounted to approximately HK$7,920 million. The debt component of the Bonds was initially recognised at the fair value of a similar liability that does not have an equity conversion option. Taking into account the interest expenses incurred (based on the effective interest rate) and the interest expenses paid and payable, both for the period from initial recognition up to and including 30 June 2026, the carrying amounts of the Bond's debt component and equity component were HK$7,210 million and HK$887 million respectively at 30 June 2026.

Subsequent to 16 July 2025 and up to and including 30 June 2026, no holders of the Bonds had exercised the option to convert the Bonds into Conversion Shares.

Assuming full conversion of the Bonds at the Adjusted Conversion Price and no change to the share capital of the Company, an aggregate of 231,682,594 Conversion Shares would be issued by the Company representing approximately 4.57% of the total number of issued Shares at 30 June 2026 and as enlarged by the allotment and issue of the Conversion Shares.

Based on the Group's cash and bank balances at 30 June 2026, the Group's cash flow from operating activities and the Group's available committed undrawn bank loan facilities, the Group has the ability to meet its redemption obligations under the Bonds.

Charge on assets

The assets of the Group's subsidiaries were not charged to any party at 30 June 2026 and 31 December 2025.

Capital commitments

At 30 June 2026, capital commitments of the Group amounted to HK$11,173 million (31 December 2025: HK$13,819 million). In addition, the Group's attributable share of capital commitments undertaken by joint ventures and certain associates at 30 June 2026 amounted to HK$3,816 million (31 December 2025: HK$3,244 million).

Contingent liabilities

At 30 June 2026, the Group's contingent liabilities amounted to HK$6,640 million (31 December 2025: HK$6,057 million), which mainly included:-

(i) an aggregate attributable amount of HK$863 million (31 December 2025: HK$242 million) relating to performance bonds, guarantees and undertakings for the due and proper performance of the obligations of the Group's projects held by subsidiaries and joint ventures, the increase of which is mainly attributable to the Group's guarantees to a bank in relation to the finance undertakings by such bank in favour of the HKSAR Government for the project completion of "One Victoria Cove", being the Group's joint venture residential-cum-commercial development project at 1 Bailey Street, Hung Hom, Kowloon, Hong Kong under the terms and conditions of the relevant land grants;

(ii) an amount of HK$908 million (31 December 2025: HK$946 million) relating to guarantees given by the Group to financial institutions on behalf of purchasers of property units of the Group's development projects in Chinese Mainland in relation to which the related Building Ownership Certificate (房產證) had not yet been issued at 30 June 2026 (and such guarantees will be released upon the issuance of the Building Ownership Certificate);

(iii) an amount of up to HK$3,278 million (31 December 2025: up to HK$3,278 million) relating to the Group's attributable and proportional share (in accordance with the Group's attributable interest in a joint venture engaged in the development of "One Victoria Cove", being a residential-cum-commercial development project situated on a site owned by the Urban Renewal Authority at Bailey Street/Wing Kwong Street, To Kwa Wan, Kowloon, Hong Kong and in which the Group has 50% equity interest (the "First Developer")) of contingent liabilities in respect of an irrevocable, unconditional and several guarantee given by the Group to two lending banks in relation to 50% of the maximum amount which may be drawn down by the First Developer on a loan facility of up to HK$6,556 million which was entered into on 29 December 2023 between such lending banks and the First Developer (and part of such proceeds refinanced the previous loan pursuant to the loan facility agreement dated 25 July 2022 of up to HK$3,276 million entered into between a lending bank and the First Developer and which matured on 28 January 2024); and

(iv) an amount of up to HK$1,150 million (31 December 2025: up to HK$1,150 million) relating to the Group's attributable and proportional share (in accordance with the Group's attributable interest in a joint venture engaged in the development of a site at Nos. 983-987A King's Road and Nos. 16-94 Pan Hoi Street, Quarry Bay, Hong Kong and in which the Group has 50% equity interest (the "Second Developer")) of contingent liabilities in respect of an irrevocable, unconditional and several guarantee given by the Group to the lending bank in relation to 50% of the maximum amount which may be drawn down by the Second Developer on a loan facility of up to HK$2,300 million which was entered into on 17 December 2025 between such lending bank and the Second Developer (and such proceeds refinanced the previous shareholders' loans advanced to the Second Developer for the purpose of acquiring the land site for development).

Employees and remuneration policy

At 30 June 2026, the Group had 9,974 (31 December 2025: 10,078) full-time employees. The remuneration of the employees is in line with the market and commensurate with the level of pay in the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. Other benefits to the employees include medical insurance, retirement scheme, training programmes and education subsidies.

Total staff costs for the six months ended 30 June 2026 amounted to HK$1,596 million (2025: HK$1,594 million).

OTHER INFORMATION

Review of Interim Results

The unaudited interim results for the six months ended 30 June 2026 have been reviewed by the auditor of the Company, KPMG in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants.

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

During the period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any).

Audit Committee

The Audit Committee met in August 2026 and reviewed the systems of internal control, risk management and compliance, and the interim report for the six months ended 30 June 2026.

Corporate Governance

During the six months ended 30 June 2026, the Company complied with the applicable code provisions set out in the Corporate Governance Code (the "CG Code") as stated in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), with the exception that the roles of the chairman and the chief executive officer of the Company have not been segregated as required by the CG Code. The Company is of the view that it is in the best interest of the Company that each of Dr Lee Ka Kit and Dr Lee Ka Shing, with his relevant in-depth expertise and knowledge in the Group's business, acts in the dual capacity as Chairman and Managing Director of the Company. Although the roles of the chairman and the chief executive officer of the Company have not been segregated, powers and authorities have not been over-concentrated as all major decisions are made in consultation with Board members as well as appropriate Board committees and senior management, who possess the relevant knowledge and expertise. Hence, the current arrangements are subject to adequate checks and balances notwithstanding the deviation.

Model Code for Securities Transactions by Directors

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

Forward-Looking Statements

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

On behalf of the Board

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

Hong Kong, 20 August 2026

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