新鴻基地產發展有限公司
Sun Hung Kai Properties Limited

(Incorporated in Hong Kong with limited liability)
Stock Codes : 16 (HKD counter) and 80016 (RMB counter)

2025 / 26 Annual Results

CHAIRMAN'S STATEMENT

I am pleased to present my report to the shareholders.

RESULTS

The Group's underlying profit attributable to the Company's shareholders for the year ended 30 June 2026, excluding the effect of fair-value changes on investment properties, amounted to HK$22,850 million, compared to HK$21,855 million last year. Underlying earnings per share were HK$7.89, compared to HK$7.54 last year.

Reported profit and reported earnings per share attributable to the Company's shareholders were HK$21,426 million and HK$7.39 respectively, compared to HK$19,277 million and HK$6.65 last year. The reported profit included an increase in fair value of investment properties net of deferred taxation and non-controlling interests of HK$1,382 million, compared to a decrease of HK$742 million last year.

DIVIDEND

The directors have recommended the payment of a final dividend of HK$2.93 per share for the year ended 30 June 2026. The dividend will be payable on 19 November 2026. Together with the interim dividend of HK$0.98 per share, the dividend for the full year will be HK$3.91 per share, an increase of 4% from last year.

BUSINESS REVIEW

Development Profit and Rental Income

Development Profit

For the year under review, the Group's profit generated from property sales reached HK$8,292 million, as compared to HK$8,290 million for the previous financial year. The Group achieved contracted sales of about HK$40,600 million in attributable terms.

Rental Income

During the year, the Group's gross rental income, inclusive of contributions from joint ventures and associates, increased by 2% year-on-year to HK$24,987 million, while net rental income increased by 1% year-on-year to HK$18,571 million.

Property Business – Hong Kong

Land Bank

As at 30 June 2026, the Group's attributable land bank in Hong Kong had reached about 56.4 million square feet of gross floor area. About 39.2 million square feet were completed properties, of which an overwhelming majority were for rental and long-term investment. The remaining 17.2 million square feet were properties under development, sufficient to meet the Group's medium-term development needs. Residential properties under development for sale accounted for approximately 12.6 million square feet. During the year under review, the Group replenished its land bank in Hong Kong through public tender, land exchange and lease modifications, details of which are listed in the table below.

Location	Usage	Group's Interest (%)	Attributable Gross Floor Area (square feet)
Lot No. 2579 in DD 92, Kwu Tung	Residential/ Shops	100	1,224,000
Tuen Mun A16 Station Package One Property Development	Residential	JV	601,000
3 Fat Tseung Street, Cheung Sha Wan	Residential/ Shops	50	230,000
Total			**2,055,000**

Subsequent to the end of the financial year, the Group won a tender for the Tuen Mun A16 Station Package Two Property Development in Tuen Mun South in early September 2026. Adjacent to the future MTR Tuen Mun A16 Station, the site will be developed into nine residential towers, spanning about 2.7 million square feet of residential gross floor area, atop a 335,000-square-foot podium mall. The project will provide over 5,500 units, primarily small- to medium-sized, to be developed and launched for sale in multiple phases in an orderly manner. Located on the Tuen Mun riverside, this development will offer units with extensive sea and river views. It will be one of the few new topside properties at MTR stations in mature and well-established communities. In addition, the project will feature a public transport interchange and pedestrian walkways connecting the mall with the Package One development awarded earlier. The successful bid for Package Two will facilitate the planning and design of the entire development. Leveraging decades of experience in developing large-scale projects, the Group is confident in creating another landmark residential cluster with comprehensive amenities. This addition has further increased the Group's total land bank in Hong Kong to 59.4 million square feet.

Building on opportunities arising from accelerating development in the Northern Metropolis, the Group has been actively advancing projects in the area over the past few years while increasing developable land through various channels. The Group's commitment is demonstrated by the development of eight projects in the area, providing around 10,000 residential units and essential commercial and transport amenities that facilitate the development of the Northern Metropolis into an area ideal for living, working, learning and tourism. These developments are located across different areas in the Northern Metropolis, including those adjacent to future MTR stations such as Kwu Tung and Hung Shui Kiu.

To support future business growth, the Group will continue to replenish its land bank in Hong Kong when opportunities arise. The Group is actively evaluating several potential large-scale residential projects. As always, the Group will adhere to prudent financial discipline in the replenishment of its land bank.

During the year, certain land lots held by the Group were resumed by the HKSAR Government. These comprised land lots with a total site area of around 1.1 million square feet, primarily from San Tin and along the Northern Link Main Line. The Group is expected to receive cash compensation of approximately HK$1,100 million, and the corresponding gains have been recognized in the financial year 2025/26. In addition, land lots with a total site area of about 2.1 million square feet, primarily in San Tin Technopole and Hung Shui Kiu/Ha Tsuen New Development Area, will be resumed. The corresponding compensations of approximately HK$2,200 million will be recognized in the financial year 2026/27.

Property Development

For the year under review, Hong Kong's residential property market continued its recovery, underpinned by improved economic conditions, an active financial market, and a relatively accommodative interest rate environment. The sustained inflow of talent and students contributed to a steady rise in residential rents, reinforcing homebuyers' confidence. Primary residential projects with premium amenities and convenient transport links continued to receive encouraging sales responses.

During the year, the Group recorded contracted sales of about HK$38,100 million in attributable terms in Hong Kong. Major contributors included Sai Sha Residences Phases 2A and 2B SIERRA SEA, Cullinan Sky Phase 2 and Cullinan Harbour in Kai Tak, Lime Spark in Tsuen Wan, NOVO LAND Phase 3A in Tuen Mun and several completed projects, including Dynasty Court in Mid-levels Central. In July 2026, Garden Regency in Yuen Long was launched, achieving satisfactory sales performance.

Being developed in phases, the project Sai Sha Residences has achieved sales of over 3,000 units in 10 months, an overwhelming response that reflects customers' confidence in the Group's expertise in the development of large-scale integrated projects. The Group also introduced additional shops and leisure facilities at GO PARK 2 and GO PARK Aqua, having successfully built a mature community that integrates residence, nature, sports and entertainment.

Guided by its commitment of Building Homes with Heart, the Group has built a solid reputation for delivering high-quality residential projects and commands a competitive advantage in the market. Distinguished by innovative architectural concepts, meticulous design, outstanding craftsmanship and comprehensive facilities, many of the Group's projects achieved outstanding scores across quality assessments. Each of the Group's residential developments is more than a home – it is a modern community incorporating thoughtful designs and attentive services to foster wellness, enrich family life and elevate the quality of daily life. Through ongoing engagement with homebuyers via the SHKP Club, the Group gathers customers' opinions and stays closely attuned to their preferences and the overall market environment, ensuring its offerings remain aligned with evolving needs.

The Group's premium luxury residential development, Cullinan Harbour in Kai Tak's runway precinct, stands as an example to this commitment. Featuring a geometric, streamlined design, this development sets a new benchmark for luxury living along Victoria Harbour. Buyers' feedback highlights strong appreciation for the project's architectural quality and exceptional scenery, with the majority of residences commanding panoramic, unobstructed harbour views. Resident satisfaction is further boosted by Club Harbour, an 80,000-square-foot clubhouse featuring premium amenities, which include outdoor swimming pools, an indoor heated pool, a 24-hour gym with high-end training equipment, and banquet halls with panoramic sea views.

During the year, a total of five projects in Hong Kong, comprising about 4.3 million square feet of attributable gross floor area, were ready for handover. Of these projects, some 2.5 million square feet were residential properties for sale, and the rest were office and retail space retained for long-term investment. Project details are shown in the table below.

Project	**Location**	**Usage**	**Group's Interest** (%)	**Attributable Gross Floor Area** (square feet)
Cullinan Sky / Cullinan Sky Mall	10 Concorde Road, Kai Tak	Residential / Shopping Centre	100	1,286,000
International Gateway Centre (IGC)	1 Wui Man Road, West Kowloon	Office	JV(1)	1,132,000
Sai Sha Residences Phases 1A(2) & 1B SIERRA SEA / GO PARK 2	8 Hoi Ying Road, Sai Sha	Residential / Shopping Centre	100	918,000
Cullinan Harbour / Cullinan Walk	26 Shing Fung Road, Kai Tak	Residential / Shops	100	649,000
The ANGLE(2)	98 How Ming Street, Kwun Tong	Shopping Centre	72.6(3)	363,000
Total				**4,348,000**

(1) The Group currently has a 44.6% interest in the office portion of the project
(2) Formerly known as Scramble Hill
(3) Including a direct interest of 50% and an indirect interest of about 22.6% through the Group's holdings in Transport International Holdings

Property Investment

During the year, the Group's diversified property investment portfolio in Hong Kong continued to generate stable and substantial recurring income. Gross rental income inclusive of contributions from joint ventures and associates increased by 1% to HK$17,703 million, while the overall occupancy rate remained stable.

Over the years, the Group has placed great emphasis on advancing the strategic development of West Kowloon, one of the few locations in the world where a comprehensive transport system combines with top-tier commercial developments in the city centre. During the year, the completion of International Gateway Centre (IGC), a world-class project atop the High Speed Rail West Kowloon Terminus, constitutes a key expansion of the Group's commercial portfolio in the area. The development also represents an important milestone in furthering West Kowloon's transformation into a unique hub of financial services, wealth and asset management, art and culture, retail, leisure and entertainment.

IGC, a gateway connecting Hong Kong with the Chinese Mainland and the world, comprises two pairs of interconnected towers that offer about 2.5 million square feet of super Grade-A office space and a podium mall that provides about 624,000 square feet of retail space. IGC's direct connection to Hong Kong's only high-speed rail station and convenient access to four MTR lines, including the Airport Express, offer unparalleled air-plus-rail connectivity. The project's accessibility is expected to be further enhanced by a 1.5-kilometre Sky Walk connecting it to the surrounding communities and the West Kowloon harbourfront.

The Group holds an approximately 44.6% interest in IGC's office portion as a long-term investment, while the remaining interest is held by two long-term strategic partners. The development redefines the next-generation workspace through the creation of an innovative workplace ecosystem that integrates smart technology, sustainability and lifestyle. Transforming traditional offices into connected, service-driven environments, the new office towers help enhance operational efficiency while fostering the well-being of tenants. The fluid design by ZHA Architects seamlessly integrates the buildings with over 200,000 square feet of greenery. Innovative technologies maximize energy efficiency, maintain a comfortable environment, and create a contactless and personalized experience for tenants. These features have made IGC one of the most sustainable buildings globally, having achieved 10 major green building accreditations, including the highest level of LEED, WELL and BEAM Plus. In addition, IGC offers the largest office floor plates across Hong Kong, with high flexibility and efficiency to accommodate diverse configurations for collaboration and meeting of minds.

These credentials have positioned IGC as an ideal choice for major corporations looking for unrivalled connectivity with the Chinese Mainland and the world. A 14-storey office tower was handed over to anchor tenant UBS in early 2026. Renowned insurance companies and multinational corporations, including AXA, have also committed to leasing part of the office space, with tenants gradually taking possession of the properties.

Stage IGC, the Group's wholly owned podium mall at IGC, is expected to broaden the range of retail offerings available in West Kowloon and synergize with the Group's other properties in the neighbourhood. The mall is seamlessly connected to the high-speed rail station, offering visitors unparalleled transport accessibility. With interior fitting-out works underway, the mall is scheduled to open in phases from late 2026. The first phase will provide a variety of eateries and shopping options that address the needs of office tenants, high-speed rail patrons, arts and culture enthusiasts, and visitors to West Kowloon.

Another upcoming project by the Group in the vicinity, Artist Square Towers (AST) in West Kowloon Cultural District, is scheduled for completion in 2027. AST comprises three towers offering about 672,000 square feet of super Grade-A office space with panoramic view of Victoria Harbour and 27,000 square feet of retail space. The waterfront project has secured a leading global financial services firm, namely J.P. Morgan, as an anchor tenant, which has committed to leasing about 250,000 square feet of office space.

Against a backdrop of limited new office supply in Hong Kong over the next few years, both IGC and AST are expected to provide high-quality, brand-new office space to meet tenants' demand for upgrade and expansion. Upon completion, AST will synergize with IGC, ICC, and two luxury hotels and a shopping mall in the vicinity, further expanding the commercial cluster in West Kowloon to around eight million square feet and advancing the district's status as a premier central business district. ICC has consistently attracted a strong pool of premium tenants, including financial institutions and renowned global investment banks such as Morgan Stanley, Deutsche Bank, and China International Capital Corporation (CICC). The additions of IGC and AST should enhance the cluster's competitiveness and expand the leasing options in the area. The Group is also strengthening collaborations with the West Kowloon Cultural District Authority to enhance overall vibrancy in the area, consolidating West Kowloon as the most diverse and connected hub in the city.

In addition to its new developments, the Group manages a sizable portfolio of completed properties. Its office portfolio continued to benefit from the gradual recovery in Hong Kong's office leasing market during the year. Overall occupancy remained stable. Driven by active IPO and financial market activities, the two IFC towers in Central achieved an occupancy of close to 100%. ICC in West Kowloon maintained a high occupancy of about 92%, supported by new leases from multinational and Mainland corporates, as well as in-house expansion from wealth management firms. Amid keen competition in Kowloon East, the Group is planning asset enhancements for its Millennium City cluster to improve connectivity and amenities.

The Group maintains an extensive retail footprint across Hong Kong, comprising a diverse range of malls, from one-stop shopping destinations in key tourist districts and flagship regional malls that serve as community hubs to neighbourhood malls located in rapidly growing residential areas. This well-developed network provides popular national and international shops and brands with reliable platforms and diverse location options to establish or expand their market presence in Hong Kong.

During the year, Hong Kong's retail sales continued to recover despite ongoing transformation of the sector. Through rapid adaptation to market trends and ongoing refinement of tenant mix, the Group's retail portfolio captured the strong demand for jewellery and watches and achieved an increase in tenant sales with the latest occupancy reaching 95%. In particular, the Group's malls in tourist districts outperformed others in the portfolio, driven by sustained growth in inbound tourism. MOKO, next to MTR Mong Kok East Station, strengthened its youthful tenant mix by attracting stores debuting in the city or in Kowloon. IFC Mall in Central introduced additional international high-end brands and flagship stores, while thematic pop-up stores were frequently organized at the two malls to bring novelty.

The opening of new malls has expanded the Group's recurring income base. The rebranded mall in Kowloon East, The ANGLE, is opening in phases across roughly 500,000 square feet of gross floor area. With a curated mix of dining, anime, and pet-centric offerings, the mall is set to attract a new generation of customers while serving both residents and the district's sizeable working population. Highlights include a Hong Kong-exclusive flagship concept store that blends anime merchandise with interactive gaming, adding a unique experiential dimension to the mall. Several well-received local restaurants also established their first Kowloon East branches in the mall. The 220,000-square-foot Cullinan Sky Mall, which is directly connected to MTR Kai Tak Station, began its phased opening in late 2025. The destination presents a curated selection of F&B

offerings, including alfresco dining and convenient grab-and-go choices, complemented by a vibrant mix of lifestyle and entertainment experiences.

The Group also strives to enhance customer loyalty via its integrated membership programme The Point. With over 3.4 million members, The Point registered a 27% year-on-year growth in overall member spending during the year, alongside higher member satisfaction levels. VIP programme The Point Gold recorded an even stronger growth in member spending and an almost 40% jump in membership. The Group has further enhanced exclusive privileges for Gold members, which include priority queuing at restaurants and access to mega events. In view of the enthusiastic reception of its first VIP lounge, the Group will introduce more lounges in new and existing malls, including YOHO Mall in Yuen Long by the end of 2026 and Stage IGC in West Kowloon in 2027. The Point also collaborated with tenants to launch new marketing initiatives, including live streaming on its app.

To cultivate a hassle-free, one-stop retail experience, the Group has introduced services that enhance convenience for visitors travelling by car. In addition to contactless parking, the Group provides Electric Vehicle (EV) fast charging service to The Point members at reasonable rates across 18 districts. To further enhance services for members, the total number of these fast chargers will be increased from the current 120 to over 140 by the end of 2026. The Point Gold members are entitled to free reservations for the fast charging service and additional hours of free parking at the Group's malls.

The Group's shopping malls organize activities at their indoor and outdoor public spaces to attract footfall and encourage longer stay by visitors, strengthening their role as district hubs. New Town Plaza in Sha Tin hosted large-scale themed events in its atrium, including a pop-up store with a play area in collaboration with an international toy brand. APM in Kwun Tong broadcast all World Cup 2026 games live in its atrium. Coffee fairs, family-oriented experiences and sports activities are organized at other malls, such as a large-scale pickleball tournament at East Point City in Tseung Kwan O. The malls also regularly upgrade their facilities and services, including the introduction of more pet-friendly features.

Amid a continued inflow of talent and executives, the Group's residential rental portfolio achieved an increase in rental income during the year. In addition to the leasing of traditional luxury properties, the Group targets young talent with its TOWNPLACE properties, which continued to achieve encouraging performance with high occupancies. TOWNPLACE also started collaborating with The Point to introduce benefits for guests, further enhancing the comprehensiveness of the Group's loyalty ecosystem. Renovation and upgrades at Vega Suites in Tseung Kwan O were completed during the year, enabling it to better accommodate long-stay guests.

Property Business – Chinese Mainland

Land Bank

The Group has been developing and operating premium integrated projects in prime locations in first-tier and leading second-tier Mainland cities. During the year under review, the Group increased its stake in the one-million-square-foot IGC mall and the 300-room Conrad Guangzhou hotel from 33.3% to 100%. This transaction contributed to an increase of nearly one million square feet in terms of attributable gross floor area. These completed properties form part of Tianhui Plaza, which is located in a prime location within Zhujiang New Town CBD, Guangzhou. The Group will continue to invest in the project through tenant mix refinement and refurbishment of its retail spaces, further enhancing its retail offerings and operational performance.

As at 30 June 2026, the Group held a total attributable land bank of 64.7 million square feet on the Chinese Mainland. Approximately 26.5 million square feet were completed properties, an overwhelming majority of which were held for rental and long-term investment purposes, with about half comprising large-scale integrated projects situated in prime business hubs in Shanghai.

The remaining 38.2 million square feet were properties under development, of which over 50% were earmarked to be developed into quality residential and office spaces for sale. Looking forward, the Group will focus on advancing its existing projects in key cities while utilizing advanced technologies to address changing customer needs.

Property Development

During the year under review, homebuyer confidence in major Mainland cities showed signs of improvement. The further relaxation of home-purchase restrictions in first-tier cities, alongside the continued release of upgrading demand, helped support the market, particularly for the high-end segment. Overall sentiment in the land market also picked up during the year, driven by developers' growing appetite for quality residential sites in major cities.

During the year, the Group recorded attributable contracted sales of about RMB 2,200 million on the Chinese Mainland. Major contributors included Cullinan West at the joint-venture Hangzhou IFC in Qianjiang New City CBD, Hangzhou; Forest Park at Guangzhou South Station ICC; and the joint-venture Oriental Bund in Foshan.

The Group completed an attributable gross floor area of approximately 6.0 million square feet on the Chinese Mainland during the year, of which about 4.5 million square feet were designated for rental and long-term investment purposes. These included office building ITC Tower B and hotel Andaz Shanghai ITC in Shanghai, whose completion further enhanced the Group's brand recognition across the Chinese Mainland. Details of the newly completed projects are listed below.

Project	Location	Usage	Group's Interest (%)	Attributable Gross Floor Area (square feet)
ITC Tower B / Andaz Shanghai ITC	Xuhui, Shanghai	Office / Hotel	100	2,715,000
ICC Residence / ICC Mall / ICC Office	Suzhou ICC, Yuanqu, Suzhou	Residential / Shopping Centre / Office	90	1,725,000
Hangzhou IFC Mansion	Hangzhou IFC (River East), Qianjiang New City, Hangzhou	Residential	45	621,000
TODTOWN Mall / TODTOWN Tower	TODTOWN, Minhang, Shanghai	Shopping Centre / Office	35	420,000
Cullinan West / One IFC River West	Hangzhou IFC (River West), Qianjiang New City, Hangzhou	Serviced Apartment / Office	50	304,000
Oriental Bund Phases 6C & 6D	Chancheng, Foshan	Residential / Shops	50	176,000
Total				**5,961,000**

Property Investment

Inclusive of contributions from joint ventures and associates, the Group's gross rental income from its Mainland portfolio rose 1.5% year-on-year to RMB5,796 million during the year under review, with increased contributions from the retail portfolio offsetting the decline in office rental.

The Group's property investment portfolio on the Chinese Mainland is comprised primarily of premium integrated developments combining Grade-A offices, premium malls and high-end hotels in prime locations with convenient transport access, professional property management and top-notch green building credentials. This complementary ecosystem generates strong synergies among various components, positioning the properties as best-in-class destinations that appeals to both discerning consumers and high-calibre tenants.

Spanning about 10 million square feet of attributable gross floor area, the Group's retail portfolio represents a major driver of its Mainland rental income. During the year, the Group's major malls saw healthy growth in tenant sales. To align with changing consumer preferences, proactive strategies such as tenant-mix refinements and layout reconfigurations were adopted. Shanghai IFC Mall in Pudong, Shanghai further solidified its premium market positioning in the city by enriching its retail line-up with popular tenants across segments, including fine jewellery and fragrances. IAPM in Puxi, Shanghai enhanced its offerings of stylish, performance-driven sport brands through a pipeline of exclusive concepts from renowned brands. Interactive pop-up events were held in collaboration with different sectors to diversify its appeal, increase foot traffic and drive repeat visits.

The Group also formulated leasing strategies to capture different target customer segments. IGC mall in Zhujiang New Town CBD of Guangzhou has become a wholly owned property of the Group following the latest acquisition. With direct metro access, the mall cemented its status as a one-stop destination for family-oriented leisure and shopping by leveraging its riverside setting to draw F&B first stores and organize events in collaboration with the neighbouring community.

In addition, the Group incorporated extensive greenery into its malls and transformed their outdoor space into vibrant destinations for events and social interaction. The joint-venture mall Parc Central in Tianhe District, Guangzhou prioritized the introduction of city-first and national-debut stores and restaurants. Its well-designed landscaped areas and open spaces became popular leisure spots, attracting visitors through a wide variety of activities. Beijing APM in Wangfujing, Beijing introduced a new sky garden in support of the city's rooftop economy initiative. The garden provided outdoor leisure space for office tenants and hosted diverse events that enrich shopper experience.

Although the Mainland office market remained challenging during the year, the Group's landmark Grade-A office towers such as Shanghai IFC capitalized on the flight-to-quality trend, sustaining satisfactory occupancy levels. Completed in the first half of 2026, Tower B of ITC – the highest office tower in Puxi, Shanghai at 370 metres – has likewise generated interest from prominent multinational and domestic corporations.

As new projects come on stream, the Group's property investment portfolio on the Chinese Mainland will be further expanded, adding new sources of recurring income. The 2.6-million-square-foot ITC Mall, the retail component of ITC in Shanghai, is scheduled to commence its phased opening from the second half of 2026. Complementing the office towers and the Andaz Shanghai ITC hotel, the flagship mall will be the capstone of the trophy asset that completes the ITC complex as a landmark destination that harmoniously combines premium retail, green workspace, diversified gourmet experiences and entertainment. The initial phase on the floor connected to the metro station will feature a diverse mix of F&B offerings, including cafes and grab-and-go outlets, which is expected to drive additional footfall to this thriving commercial hub. Leasing activity for the remaining zones continues to advance steadily.

The joint-venture Hangzhou IFC in Hangzhou's Qianjiang New City CBD is being developed in phases across two riverside sites, connected by a landscaped pedestrian bridge. An initial phase of a shopping mall on the River East site, situated adjacent to a park with lush greenery, will offer approximately 700,000 square feet of quality retail space. Targeted for a phased opening in the second quarter of 2027, the mall is poised to offer an array of brand choices and experiential retail to the surrounding community, including the project's residents and office tenants.

At Guangzhou South Station ICC, pre-leasing for the 215,000-square-foot podium mall Parc Central (Guangzhou South) has commenced, attracting interest from a range of retailers. Upon its target opening by the end of 2026, the new mall will offer direct access to high-speed rail and metro stations. It is expected to replicate the Group's success at Parc Central in Tianhe District, Guangzhou, providing vibrant lifestyle offerings for high-speed rail patrons and office workers in the surrounding commercial clusters. Meanwhile, the 291,000-square-foot office tower One ICC has been completed.

Other Businesses

Hotels

During the year under review, the Group's hotel portfolio in Hong Kong performed well, benefitting from a continuing growth in international visitors and a vibrant calendar of mega events. In particular, luxury hotels outperformed, recording increases in both occupancy and room rates. Four Seasons Hotel Hong Kong delivered an outstanding performance, capitalizing on active IPO listings alongside a series of international financial events and activities that attracted high-spending business travellers.

The Group's hotel management team remained proactive in enhancing asset value and capturing market opportunities. The rebranding and comprehensive renovation of the property atop MTR Tseung Kwan O Station into The Royal Garden Kowloon East stands as a prime example of the Group's commitment to proactive asset enhancement. Being the second Royal Garden hotel in the Group's portfolio following The Royal Garden Tsim Sha Tsui, the property is being transformed into an "Urban Resort" tailor-made for pet-friendly and family travellers, featuring upgraded guest rooms, specialized retreat villas, and suites with private terraces. The entire upgrading programme of 366 guest rooms is scheduled for completion in the fourth quarter of 2026.

As part of its continued investment into the West Kowloon commercial cluster, the Group plans to upgrade and renovate its two luxury hotels atop MTR Kowloon Station. These two hotels complement the Group's other projects in West Kowloon, advancing the district as a unique hub of asset management, commerce, retail, art and culture, leisure and entertainment on par with core Central. Meanwhile, the Go Royal by SHKP loyalty programme expanded its base to over 275,000 members, further strengthening the synergy between the Group's hospitality and retail-property businesses through its collaboration with The Point.

On the Chinese Mainland, the Group's portfolio achieved further business growth, led by The Ritz-Carlton Shanghai, Pudong, which registered an outstanding performance and record-high room rates on the back of a sustained influx of foreign travellers. Performance of hotels in other key cities also continued to improve. Conrad Guangzhou, now fully owned by the Group, achieved solid growth during the year. Andaz Nanjing Hexi reinforced its market leadership in the region, while Four Seasons Hotel Suzhou increased its occupancy through its distinctive lakeside appeal and attentive services. The portfolio was further bolstered by the opening of

Andaz Shanghai ITC in Xujiahui, Shanghai in March 2026, which has steadily been ramping up its occupancy and setting a new standard for cosmopolitan-style living in the city.

Telecommunications and Information Technology

SmarTone

Against an intensely competitive mobile market, SmarTone maintained a steady growth in profitability during the year under review. However, in the face of strong challenges, the company's total service revenue and ARPU for postpaid mobile business recorded slight decreases as compared to the previous year. These indicated the need for the company to take actions to substantially strengthen its business.

In times of severe competition and eroding ARPU, SmarTone will focus on initiatives that deliver the most value to its subscribers. The company will continue to launch initiatives that enhance customers' lives in the digital and AI world. The company is also committed to optimizing its operational efficiency and cost control.

SmarTone takes pride in the fact that it has built a world-class mobile network in Hong Kong, for Hong Kong. AI usage ramped up rapidly in various industries and the community over the past 12 months, but what is often forgotten is that AI is heavily dependent on the mobile network to function. The Group believes SmarTone's network is a critical backbone for Hong Kong's future technological development. Hence the Group is committed to further enhancing and investing in the network to ensure customers fully enjoy the benefits of digitization and AI. The Group remains confident in SmarTone's long-term prospects and will continue to hold the company as a long-term investment.

SUNeVision

During the year, SUNeVision delivered a strong set of financial results, supported by significant growth in demand for premium data centre infrastructure by both international and Chinese customers in Hong Kong. High-specification data centre capacity, such as those in SUNeVision's portfolio, became highly attractive. The committed occupancy of MEGA IDC Phase 1 in Tseung Kwan O has now exceeded 70%. In view of the strong pipeline for further capacity, SUNeVision is accelerating the construction of the remaining phases of MEGA IDC – spanning a gross floor area of approximately 700,000 square feet – to meet the demand.

While the current market presents compelling growth opportunities, SUNeVision will continue to apply strict investment criteria and allocate capital selectively. SUNeVision's objective is not simply to expand, but to do so in a manner that delivers attractive returns and follows strict financial discipline. In this market environment, the company will particularly focus on bringing high-quality tenant partners to its premises, further reinforcing its already strong connectivity ecosystem. SUNeVision will continue to invest for the future and contribute to the next generation of data centre technology and connectivity networks of Hong Kong.

Infrastructure and Other Businesses

The Group's infrastructure and transport businesses continued to focus on operational efficiency enhancement. With a diversified business portfolio across parking, tunnel management, as well as integration of transport and parking systems, Wilson Group has shown stable performance during the year under review. The traffic in the Hong Kong Business Aviation Centre (HKBAC) showed steady growth year-on-year and is approaching the pre-pandemic level. A major terminal revamp has been completed at HKBAC – it delivers a world-class experience to its customers in terms of efficiency, luxury and privacy. At the same time, the holistic renovation at Airport Freight Forwarding Centre (AFFC) is on track to be completed by the end of 2026, driving a substantial uplift of its overall infrastructure. Results of the River Trade Terminal remained stable during the year, underpinned by disciplined cost control and efficiency enhancements.

In response to changing consumption patterns, YATA has continued to refine its business model to better meet customers' needs. The company has further diversified its store formats, including the launch of "YATA Fresh," a new supermarket concept at GO PARK 2 focusing on fresh food and quality. The company also enhanced its customer engagement by elevating its YATA Gold membership programme, further expanding exclusive check-out privileges and experiential offerings to loyal customers.

Corporate Finance

Low gearing, robust liquidity, ample committed banking facilities and well-planned debt-repayment schedules have all contributed to the Group's financial sustainability and resilience amidst an uncertain economic environment. With its steadfast efforts in cash-flow management, the Group recorded a low net debt-to-shareholders' fund ratio of 10.7% as at the end of June 2026. Backed by its abundant liquidity and ample resources, the Group is well-positioned to seize land-acquisition opportunities to meet its future development needs. Meanwhile, the Group continues to be recognized as the top-rated real estate company in Hong Kong, holding an A+ rating with stable outlook from S&P and an A1 rating with stable outlook from Moody's.

The Group has also received tremendous support and trust from its banking partners, successfully raising a HK$20 billion five-year syndicated facility with good terms. During the year, supported by strong relationships with banks, the Group's Mainland projects have taken in an increased amount of bank loans to meet their development and operational requirements. These arrangements not only helped align the Group's Renminbi-denominated assets and liabilities, but also better managed the overall financing costs under the easing environment on the Chinese Mainland.

The Group has not engaged in any transactions of speculative derivative or structured products. The majority of its debts are denominated in Hong Kong dollars and the remainder are in Renminbi and US dollars. All the Group's US dollar debts have been fully hedged through cross-currency swaps into Hong Kong dollars, whilst its Renminbi debts provide a natural hedge against the Group's Mainland assets.

CORPORATE GOVERNANCE

Corporate governance lies at the heart of the Group's strategy, ensuring that stakeholder interests are safeguarded while sustainable value is cultivated over time. This framework is instrumental in sustaining momentum, as well as elevating the Group's credibility and competitive position in the marketplace.

The Board of Directors is responsible for steering the Group's strategic direction, including its sustainable development agenda. With a total of 16 members, including seven Independent Non-Executive Directors (INEDs), the Board achieves a well-calibrated blend of experience, expertise and diversity that aligns closely with the Group's strategic priorities, governance framework, and business portfolio. Each INED possesses the requisite stature, professional qualifications, and practical skills necessary to effectively discharge his or her responsibilities. The majority have built up substantial experience with the Company through their services, which have endowed them with a nuanced and comprehensive understanding of the Group's operations. Throughout their tenure, they have consistently upheld their independent mandate, contributing impartial viewpoints and incisive analysis that have substantially enhanced Board deliberations and delivered lasting value to the Group.

To strengthen governance oversight, the Board has delegated distinct responsibilities to four specialized committees: Executive, Remuneration, Nomination, and Audit and Risk Management. Each operates within a formal mandate that clearly defines its scope of authority and duties. The Executive Committee convenes on a regular basis to formulate business policies, resolve key operational matters, and exercise authority delegated to it by the Board. In parallel, the Audit and Risk Management, Remuneration, and Nomination Committees are comprised of INEDs only, guaranteeing uncompromised independent oversight.

Backed by a seasoned leadership team and sustained dedication to robust corporate governance, the Group has secured prestigious accolades from renowned financial publications. During the year, *Euromoney* recognized the Group as Best Overall Developer across Hong Kong, China, Asia Pacific and globally. Separately, *FinanceAsia* honoured the Group with a number of awards under its Asia's Best Companies survey, including Best Managed Company and Best Managed Company (Real Estate) in Hong Kong.

SUSTAINABLE DEVELOPMENT

The Group continued to make significant progress on its sustainability journey during the year under review, particularly in green building development, renewable energy expansion and corporate social responsibility. Such efforts received broad industry recognition both locally and internationally, including inclusion in the Dow Jones Best-in-Class World Index for the first time, placing it among the top 10% of the largest 2,500 companies in the S&P Global Broad Market Index.

Environment

While the Group continued to make steady progress toward its 10-year environmental targets, the development of high-quality green buildings remained a strategic priority. Reflecting this commitment, the Group pursued Leadership in Energy and Environmental Design (LEED) Gold or Platinum certification for all new core commercial projects in Hong Kong, and had obtained around 140 green-building-related certifications as at 30 June 2026.

This commitment to sustainable excellence is exemplified by IGC, which has secured ten leading sustainable building certifications or pre-certifications. The Group's pursuit of quality was further recognized at the Quality Building Award 2026, where NOVO LAND and the mixed-use project on 98 How Ming Street received accolades.

In support of renewable energy, the Group, through a joint venture, developed the Tseung Kwan O South East New Territories Landfill Solar Farm. Spanning approximately 140,000 square feet and featuring about 1,850 solar panels, the project is Hong Kong's first solar farm built on a restored landfill participating in the Feed-in Tariff Scheme, and the largest of its kind in the city. Commissioned in the fourth quarter of 2025, the facility generates approximately 1.2 million kWh of green electricity annually, reducing carbon emissions by about 530 tonnes a year. SUNeVision, a subsidiary of the Group, has purchased CLP Renewable Energy Certificates linked to the power generated by the solar farm, forming a distinctive closed-loop ESG model within the Group.

Renewable energy adoption across the Group's portfolio continued to expand. The solar-power systems facilitated and managed by the Group – including those developed through joint ventures – comprise 94 installations, with nearly 27,000 solar panels across various buildings and construction sites. In parallel, to support low-carbon transport and the accelerating adoption of electric vehicles (EVs), the Group has been expanding its network of EV fast chargers across all 18 districts in Hong Kong. The number of these fast chargers will exceed 140 by the end of 2026, including installations at the new shopping mall Stage IGC in West Kowloon. This makes the Group one of the leading providers for EV fast chargers in shopping malls.

Social

Consistent with its Sports for Charity commitment, the Group continued to support a range of charitable sporting initiatives during the year. The Group became the title sponsor of The Community Chest Sun Hung Kai Properties Corporate Challenge for the first time, helping raise a record HK$6.9 million for essential community services, with all donations going to beneficiaries.

The Group also supported major sporting events and promoted sports among the public. GO PARK Sai Sha provided venue sponsorship for a series of international padel tournaments that attracted elite players from around the world. Meanwhile, GO PARK Aqua broadened its offerings to include dinghy sailing and catamaran courses, alongside eco-discovery experiences.

Together, these initiatives advanced the concept of Sports for All and supported the government's vision of 'Tourism is everywhere in Hong Kong'.

Through the SHKP Reading Club's long-running Read to Dream programme, around 1,000 students from underprivileged families each year receive book allowances at the Hong Kong Book Fair. In recent years, the programme has been enriched with themes of STEM and Chinese culture, broadening students' horizons and deepening their understanding of national development.

The SHKP Volunteer Team continued to support vulnerable communities throughout the year. In collaboration with the Neighbourhood Advice-Action Council, it extended its home-safety programme to Sham Shui Po, with the Group's registered electrical workers providing elderly residents with electrical repairs and safety enhancements. Through the Building Homes with Heart Caring Initiative, the team distributed festive gift bags to underprivileged families across multiple districts.

People

Recognizing the growing importance of AI in today's business landscape, the Group continued to enhance employees' proficiency in AI and digital applications. More than 40 AI-related workshops and webinars were organized throughout the year, complemented by the launch of an AI resource centre that serves as a centralized platform for related training materials and tools.

Committed to cultivating talent for the sustainable development of the industry, the Group and its various business units strengthened collaborations with local educational institutions and relevant authorities by offering mentorship programmes, internships and career opportunities to students and graduates.

PROSPECTS

The outlook of the global economy remains uncertain due to persistent regional conflicts and high energy prices. Despite external challenges, the Mainland economy is expected to stay resilient, supported by strong exports and elevated counter-cyclical policy measures. In Hong Kong, the economy has also been growing steadily, driven by robust trade performance and resilient domestic demand. Hong Kong's first Five-Year Plan, which serves as a strategic blueprint for its economic development, is expected to strengthen the city's position as a leading offshore Renminbi hub and wealth-management centre, while further reinforcing its role as a "super-connector" and "super value-adder".

Underpinned by its commitment to delivering high-quality and customer-centric properties and services, the Group has built an exceptional brand reputation, laying a solid foundation for the launch of future residential projects. Since 2013, the Group has been the first developer in Hong Kong to offer a three-year warranty to first-hand purchasers of specified newly sold residential properties in Hong Kong, which further enhances customer confidence in the Group. Through its prudent financial management, the Group has maintained low gearing and a strong balance sheet, placing it in a solid financial position to seize opportunities for land acquisitions in Hong Kong as they arise.

As Hong Kong strengthens its position as an international financial centre and advances development in education, innovation and technology, the city will continue to attract high-calibre talent and executives, sustaining demand for quality housing. In line with this rising demand, the Group will put on the market new residential projects in Hong Kong over the next 10 months. Target launches by the end of 2026 include SIERRA SEA Phase 2C in Sai Sha, and Phase 1A of the Tung Shing Lei project located close to YOHO Mall in Yuen Long. In the first half of 2027, the Group plans to launch a new project in Tai Wai, Phase 1 of the Kwu Tung North project, a project near MTR City One Station in Sha Tin, and Phase 1B of the Tung Shing Lei project in Yuen Long.

On the Chinese Mainland, the Central Government’s policies for improving the quality of homes and stabilizing the real estate market are expected to foster the healthy development of the overall residential market, particularly the premium segment. Over the next 10 months, the Group plans to launch houses at Shanghai Arch in Shanghai, Cullinan East at Hangzhou IFC, a new batch of Lake Genève Phase 2A in Suzhou, and JOVOTOWN Phase 3B in Chengdu.

Focused on growing the sizeable recurring income from its diversified property investment portfolio, the Group will step up leasing efforts to enhance occupancy, particularly for IGC and AST, its new landmark projects in West Kowloon. These new additions are well-positioned to capture office demand from both Mainland enterprises seeking to go global and multinational corporations tapping into the Mainland market.

In the upcoming financial year, the Stage IGC mall and the AST project are scheduled for completion, expanding the West Kowloon commercial cluster in Hong Kong. On the Chinese Mainland, the Group’s new shopping malls in Shanghai, Hangzhou and Guangzhou are scheduled to open in phases, bringing additional footfall and synergies to their corresponding integrated developments. The completion of new rental properties is expected to further expand the Group’s recurring income base, with contributions ramping up progressively.

Looking ahead, the Group remains confident in the long-term prospects of both Hong Kong and the Chinese Mainland. Under the National 15th Five-Year Plan, the Central Government aims to increase investments in innovation and technology, expand opening-up, and form broader trade partnerships to support high-quality economic development. In alignment with national development, Hong Kong strives to deepen financial co-operation between the city and the Mainland markets, further strengthening its role as an international centre for finance, trade, maritime and aviation. Accelerating development of the Northern Metropolis injects new momentum into Hong Kong’s economy and drives growth of various industries, with the University Town serving as one of the growth engines for innovation and technology development.

The Group will continue to support this pivotal initiative and actively explore the potential development opportunities in the area.

The Group will continue to invest in the city's future through building landmark projects that foster both economic advancement and social progress. By harnessing technologies to enhance productivity and competitiveness, the Group will deliver quality properties that are modern and customer-centric, meeting the evolving needs of residents and tenants. Guided by its time-tested strategies and long-term vision, the Group will continue to strive for sustainable long-term growth while contributing to the further development of the city it proudly calls home.

DIRECTORS AND APPRECIATION

Mr. William Kwan Cheuk-yin resigned as a Non-Executive Director of the Company in March 2026. Mr. Kwan has been serving on the Board of the Company for over 26 years since his appointment as a Director of the Company in 1999. The Board is grateful for his unfailing support, as well as his invaluable advice and contributions to the Group during his tenure of office.

I would like to convey my heartfelt thanks to our devoted employees, whose professionalism and steadfast efforts have been instrumental in navigating the Group through a fast-changing business landscape. I am also appreciative of the Board members for their insightful counsel and continued leadership. Finally, I extend my sincere gratitude to our shareholders and customers for their continued confidence and support, which remain the cornerstone of our ongoing success.

Kwok Ping-luen, Raymond

Chairman & Managing Director
Hong Kong, 10 September 2026

ANNOUNCEMENT

The Board of Directors of Sun Hung Kai Properties Limited announces the following audited consolidated figures for the Group for the year ended 30 June 2026 with comparative figures for 2025:

Consolidated Income Statement
For the year ended 30 June 2026
(Expressed in millions of Hong Kong dollars)

	Notes	2026	2025
Revenue	**2**	**94,194**	79,721
Direct costs		**(62,082)**	(45,531)
Other net income	**3**	**788**	288
Selling and marketing expenses		**(4,463)**	(5,064)
Administrative expenses		**(3,293)**	(3,336)
Operating profit	**2**	**25,144**	26,078
Change in fair value of investment properties		**(366)**	(2,730)
Finance costs		**(2,354)**	(2,856)
Finance income		**444**	371
Net finance costs	**4**	**(1,910)**	(2,485)
Share of results of:			
Associates		**189**	194
Joint ventures		**4,893**	3,696
	2	**5,082**	3,890
Profit before taxation	**5**	**27,950**	24,753
Taxation	**6**	**(5,948)**	(4,869)
Profit for the year		**22,002**	19,884
Profit for the year attributable to:			
Company's shareholders		**21,426**	19,277
Non-controlling interests		**576**	607
		22,002	19,884
(Expressed in Hong Kong dollars)			
Earnings per share based on profit attributable to the Company's shareholders (reported earnings per share)	**7(a)**		
Basic and diluted		**$7.39**	$6.65
Earnings per share excluding the effect of change in fair value of investment properties net of deferred tax (underlying earnings per share)	**7(b)**		
Basic and diluted		**$7.89**	$7.54

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2026
(Expressed in millions of Hong Kong dollars)

	2026	2025
Profit for the year	**22,002**	19,884
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of Mainland subsidiaries	**4,167**	1,810
Cash flow hedge		
- fair value gains/(losses) recognized directly through other comprehensive income	**267**	(96)
- fair value gains transferred to consolidated income statement	**(37)**	(32)
	230	(128)
Fair value (losses)/gains of debt securities recognized directly through other comprehensive income	**(2)**	2
Share of other comprehensive income of associates and joint ventures	**1,039**	1,019
Items that will not be reclassified to profit or loss:		
Fair value gains/(losses) of equity securities at fair value through other comprehensive income	**111**	(110)
Deferred tax related to change in carrying amount arising from revaluation of property, plant and equipment	**(4)**	-
Share of other comprehensive income of an associate	**106**	42
Other comprehensive income for the year	**5,647**	2,635
Total comprehensive income for the year	**27,649**	22,519
Total comprehensive income for the year attributable to:		
Company's shareholders	**27,020**	21,889
Non-controlling interests	**629**	630
	27,649	22,519

Consolidated Statement of Financial Position
As at 30 June 2026
(Expressed in millions of Hong Kong dollars)

	Notes	2026	2025
Non-current assets			
Investment properties	**9**	**428,505**	417,045
Property, plant and equipment		**51,636**	50,689
Associates		**8,245**	8,136
Joint ventures		**99,804**	96,551
Financial investments		**1,409**	1,197
Intangible assets		**3,525**	3,839
Other non-current assets		**3,007**	3,724
		596,131	581,181
Current assets			
Properties for sale		**172,542**	197,452
Inventories		**410**	417
Trade and other receivables	**10**	**17,721**	20,060
Financial investments		**893**	864
Bank deposits and cash		**30,053**	16,919
		221,619	235,712
Current liabilities			
Bank and other borrowings		**(14,204)**	(14,384)
Trade and other payables	**11**	**(33,079)**	(32,412)
Deposits received on sales of properties		**(10,441)**	(14,300)
Current tax payable		**(7,539)**	(8,996)
		(65,263)	(70,092)
Net current assets		**156,356**	165,620
Total assets less current liabilities		**752,487**	746,801
Non-current liabilities			
Bank and other borrowings		**(83,464)**	(95,833)
Deferred tax liabilities		**(25,969)**	(24,031)
Other non-current liabilities		**(4,330)**	(4,563)
		(113,763)	(124,427)
NET ASSETS		**638,724**	622,374
CAPITAL AND RESERVES			
Share capital		**70,703**	70,703
Reserves		**563,233**	547,148
Shareholders' equity		**633,936**	617,851
Non-controlling interests		**4,788**	4,523
TOTAL EQUITY		**638,724**	622,374

1. Basis of Preparation

The financial information relating to the years ended 30 June 2026 and 2025 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. The Company has delivered the consolidated financial statements for the year ended 30 June 2025 to the Registrar of Companies and will deliver the consolidated financial statements for the year ended 30 June 2026 in due course. The Company's auditor has reported on the consolidated financial statements for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance (Cap. 622) and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"). The consolidated financial statements are prepared under the historical cost convention except for investment properties and certain financial instruments, which are measured at fair value.

In the current year, the Group has adopted a number of amendments to HKFRS Accounting Standards issued by the HKICPA that are effective for the first time for the Group's financial year beginning 1 July 2025. None of these amendments had a material impact on the Group's financial statements.

The Group has not applied any new standard or amendment that is not effective for the current year.

(Expressed in millions of Hong Kong dollars)

2. Segment Information

Segment revenue and results are measured without allocation of central administration costs, other net income, net finance costs and change in fair value of investment properties, which are reported to the Group's management for the purposes of resource allocation and assessment of segment performance.

(a) Segment revenue and results

An analysis of the revenue and results for the year of the Group and its share of associates and joint ventures by reportable and operating segments is as follows:

For the year ended 30 June 2026

	The Company and its subsidiaries		Associates and joint ventures			
	Revenue	**Results**	**Share of revenue**	**Share of results**	**Combined revenue**	**Consolidated results**
Property development						
Hong Kong	44,127	4,614	10	8	44,137	4,622
Mainland	4,392	2,148	5,662	1,522	10,054	3,670
	48,519	6,762	5,672	1,530	54,191	8,292
Property rental						
Hong Kong	14,934	10,702	2,769	2,118	17,703	12,820
Mainland	5,136	4,184	1,359	983	6,495	5,167
Singapore	-	-	789	584	789	584
	20,070	14,886	4,917	3,685	24,987	18,571
Hotel operations	4,545	538	915	190	5,460	728
SmarTone (Telecommunications)	6,604	749	-	-	6,604	749
Transport infrastructure and logistics	3,656	626	4,357	425	8,013	1,051
SUNeVision (Data centre)	3,117	1,624	-	-	3,117	1,624
Other businesses	7,683	1,124	50	24	7,733	1,148
Segment total	94,194	26,309	15,911	5,854	110,105	32,163
Other net income		788		158		946
Unallocated administrative expenses		(1,953)		-		(1,953)
Operating profit		25,144		6,012		31,156
Change in fair value of investment properties						
Hong Kong		911		1,234		2,145
Mainland		(1,277)		88		(1,189)
Singapore		-		23		23
		(366)		1,345		979
Net finance costs		(1,910)		(606)		(2,516)
Profit before taxation		22,868		6,751		29,619
Taxation						
- Group		(5,948)		-		(5,948)
- Associates		-		(47)		(47)
- Joint ventures		-		(1,622)		(1,622)
Profit for the year		16,920		5,082		22,002

(Expressed in millions of Hong Kong dollars)

For the year ended 30 June 2025

	The Company and its subsidiaries		Associates and joint ventures			
	Revenue	Results	Share of revenue	Share of results	Combined revenue	Consolidated results
Property development						
Hong Kong	26,139	3,200	-	-	26,139	3,200
Mainland	7,741	4,807	676	283	8,417	5,090
	33,880	8,007	676	283	34,556	8,290
Property rental						
Hong Kong	14,883	10,900	2,648	2,056	17,531	12,956
Mainland	4,972	3,992	1,201	872	6,173	4,864
Singapore	-	-	757	572	757	572
	19,855	14,892	4,606	3,500	24,461	18,392
Hotel operations	4,416	486	834	129	5,250	615
SmarTone (Telecommunications)	6,253	752	-	-	6,253	752
Transport infrastructure and logistics	4,441	1,188	4,181	478	8,622	1,666
SUNeVision (Data centre)	2,938	1,489	-	-	2,938	1,489
Other businesses	7,938	959	101	25	8,039	984
Segment total	79,721	27,773	10,398	4,415	90,119	32,188
Other net income/(loss)		288		(192)		96
Unallocated administrative expenses		(1,983)		-		(1,983)
Operating profit		26,078		4,223		30,301
Change in fair value of investment properties						
Hong Kong		(1,790)		685		(1,105)
Mainland		(940)		(292)		(1,232)
Singapore		-		780		780
		(2,730)		1,173		(1,557)
Net finance costs		(2,485)		(678)		(3,163)
Profit before taxation		20,863		4,718		25,581
Taxation						
- Group		(4,869)		-		(4,869)
- Associates		-		(54)		(54)
- Joint ventures		-		(774)		(774)
Profit for the year		15,994		3,890		19,884

Results from property development include selling and marketing expenses of HK$559 million (2025: HK$1,139 million) and HK$137 million (2025: HK$185 million) relating to the pre-sale of property projects under construction in Hong Kong and Mainland, respectively.

Other businesses comprise revenue and profit derived from other activities including property management, department store operations and financial services.

(Expressed in millions of Hong Kong dollars)

(b) Geographical information

An analysis of the Group's revenue by geographical area of principal markets is as follows:

	2026	2025
Hong Kong	**83,755**	66,165
Mainland	**10,437**	13,495
Others	**2**	61
	94,194	79,721

3. Other Net Income

	2026	2025
Gain on land resumption[(a)]	**389**	1,137
Profit on sale of investment properties[(b)]	**353**	390
Impairment provisions for development properties[(c)]	**-**	(1,384)
Others	**46**	145
	788	288

(a) During the year, the Group recorded a HK$389 million (2025: HK$1,137 million) gain from land resumption by the Government, resulting mainly from the resumption of certain land lots held by the Group in San Tin, Hung Shui Kiu/Ha Tsuen New Development Area and along the Northern Link Main Line.

(b) Profit on sale of investment properties for the year, mostly derived from the disposal of certain units in Dynasty Court and Shouson Peak, was calculated based on net sales proceeds over fair values. Underlying profit, inclusive of HK$2,806 million (2025: HK$1,836 million) fair value gains realized, amounted to HK$3,159 million (2025: HK$2,226 million).

(c) The impairment provisions in last year were mainly attributed to the Cullinan Sky residential project, calculated based on estimated sales proceeds, minus the costs required to complete and sell the project, excluding previously expensed selling and marketing costs.

(Expressed in millions of Hong Kong dollars)

4. Net Finance Costs

	2026	2025
Interest and other finance costs on bank and other borrowings	**3,249**	4,604
Notional non-cash interest accretion	**58**	62
Finance costs on lease liabilities	**86**	85
Less: Amount capitalized	**(1,039)**	(1,895)
	2,354	2,856
Interest income on bank deposits	**(444)**	(371)
	1,910	2,485

5. Profit before Taxation

	2026	2025
Profit before taxation is arrived at		
after charging:		
Cost of properties sold	**38,763**	22,612
Cost of other inventories sold	**3,380**	2,822
Depreciation of property, plant and equipment	**3,134**	3,105
Amortization of		
Intangible assets (included in direct costs)	**468**	710
Contract acquisition costs	**1,478**	1,242
Impairment loss on goodwill	**1**	-
Credit loss allowance on financial assets and contract assets	**29**	212
Lease expenses		
Short-term and low-value assets leases	**134**	146
Variable lease payments	**40**	33
Staff costs (including directors' emoluments and retirement schemes contributions)	**10,329**	10,559
Share-based payments	**20**	9
Auditors' remuneration	**28**	31
Loss on disposal of financial investments at fair value through profit or loss	**10**	27
Loss on disposal of property, plant and equipment	**3**	59
and crediting:		
Dividend income from investments	**71**	67
Interest income from investments	**33**	32
Fair value gains on financial investments at fair value through profit or loss	**79**	63

(Expressed in millions of Hong Kong dollars)

6. Taxation

	2026	2025
Current tax expenses		
Hong Kong profits tax	**2,647**	2,439
Over provision in prior years	**(19)**	(16)
	2,628	2,423
Tax outside Hong Kong	**3,086**	3,372
Total current tax	**5,714**	5,795
Deferred tax expenses/(credit)		
Change in fair value of investment properties	**(440)**	(713)
Other origination and reversal of temporary differences	**674**	(213)
Total deferred tax	**234**	(926)
Total income tax expenses	**5,948**	4,869

Hong Kong profits tax is provided at the rate of 16.5% (2025: 16.5%) based on the estimated assessable profits for the year. Tax outside Hong Kong, which includes Mainland land appreciation tax and withholding tax on income distributions, is calculated at the rates applicable in the relevant jurisdictions.

7. Earnings per Share

(a) Reported earnings per share

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to the Company's shareholders of HK$21,426 million (2025: HK$19,277 million).

The basic earnings per share is based on the weighted average number of shares in issue during the year of 2,897,780,274 (2025: 2,897,780,274) shares.

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

(Expressed in millions of Hong Kong dollars)

(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 underlying profit attributable to the Company's shareholders of HK$22,850 million (2025: HK$21,855 million), which excluded the fair value changes on investment properties, and included the fair value gains realized on sale of investment properties. A reconciliation of profit is as follows:

	2026	2025
Profit attributable to the Company's shareholders as shown in the consolidated income statement	**21,426**	19,277
Decrease/(increase) in fair value of investment properties		
Subsidiaries	**366**	2,730
Associates	**98**	112
Joint ventures	**(1,443)**	(1,285)
	(979)	1,557
Effect of corresponding deferred tax expenses		
Subsidiaries	**(440)**	(713)
Joint ventures	**79**	(86)
Non-controlling interests	**(42)**	(16)
Unrealized fair value (gains)/losses of investment properties net of deferred tax	**(1,382)**	742
Fair value gains of investment properties realized on disposal	**2,806**	1,836
Net effect of change in fair value of investment properties	**1,424**	2,578
Underlying profit attributable to the Company's shareholders	**22,850**	21,855

(Expressed in millions of Hong Kong dollars)

8. Dividends

(a) Dividends payable to equity shareholders of the Company attributable to profit for the year

	2026	2025
Interim dividend declared and paid of HK$0.98 (2025: HK$0.95) per share	**2,840**	2,753
Final dividend proposed after the end of the reporting period of HK$2.93 (2025: HK$2.80) per share	**8,490**	8,114
	11,330	10,867

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

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

	2026	2025
Final dividend in respect of the previous financial year, approved and paid during the year of HK$2.80 (2024: HK$2.80) per share	**8,114**	8,114

9. Investment Properties

(a) Movement during the year

	Completed	**Under development**	**Total**
Valuation			
At 1 July 2025	**351,394**	**65,651**	**417,045**
Additions	**609**	**2,909**	**3,518**
Transfer upon completion	**27,761**	**(27,761)**	**-**
Acquisitions	**6,162**	**-**	**6,162**
Transfer from/(to) properties for sale	**204**	**(274)**	**(70)**
Transfer from property, plant and equipment	**17**	**-**	**17**
Disposals	**(3,774)**	**-**	**(3,774)**
Exchange difference	**4,163**	**1,810**	**5,973**
Decrease in fair value	**(313)**	**(53)**	**(366)**
At 30 June 2026	**386,223**	**42,282**	**428,505**

(Expressed in millions of Hong Kong dollars)

(b) Investment properties valuation

The Group's investment properties were valued at their fair values at 30 June 2026 and 30 June 2025 by Knight Frank Petty Limited, an independent firm of professional qualified valuers, on a market value basis, in accordance with Valuation Standards on Properties issued by Hong Kong Institute of Surveyors.

The Group's completed investment properties are valued using the income capitalization method by capitalizing the net income from the existing tenancies and reversionary income potential at appropriate capitalization rates for individual properties. The capitalization rate adopted is derived by making reference to the yields achieved from analysis of comparable property investment transactions and valuer's view of prevailing investor expectations regarding rental growth and perceived risks.

The Group's investment properties under development are valued using the residual method by estimating the value of the property when completed using income capitalization method with reference to comparable sales transactions assuming that the property had been completed in accordance with the current development plan on the valuation date less the costs that will be incurred to complete the development with appropriate allowance for profit and risk.

Set out below is the significant unobservable inputs used for fair value measurements:

	Fair value		**Weighted average capitalization rate**	
	2026	2025	**2026**	2025
Completed				
Hong Kong	**284,126**	275,417	**4.9%**	5.0%
Mainland	**102,097**	75,977	**5.4%**	6.6%
	386,223	351,394		

	Fair value (residual method)		**Capitalization rate**	
	2026	2025	**2026**	2025
Under development				
Hong Kong	**21,781**	29,662	**3.5% - 5.5%**	3.3% - 5.5%
Mainland	**20,501**	35,989	**5.0% - 8.8%**	5.0% - 8.8%
	42,282	65,651		

10. Trade and Other Receivables

Included in trade and other receivables of the Group are trade receivables of HK$3,614 million (2025: HK$3,252 million), of which 59% (2025: 59%) are aged less than 30 days, 14% (2025: 13%) between 31 to 60 days, 8% (2025: 10%) between 61 to 90 days and 19% (2025: 18%) more than 90 days.

11. Trade and Other Payables

Included in trade and other payables of the Group are trade payables of HK$2,453 million (2025: HK$2,476 million), of which 61% (2025: 59%) are aged less than 30 days, 8% (2025: 7%) between 31 to 60 days, 4% (2025: 3%) between 61 to 90 days and 27% (2025: 31%) more than 90 days.

FINANCIAL REVIEW

Review of Results for FY2025/26

Underlying profit attributable to the Company's shareholders, excluding fair value changes on investment properties and including fair value gains realized on sale of investment properties for the year ended 30 June 2026 was HK$22,850 million, increased by HK$995 million or 4.6% compared to HK$21,855 million for the previous year.

Reported profit attributable to Company's shareholders increased by HK$2,149 million or 11% to HK$21,426 million (2025: HK$19,277 million), after including the impact of revaluation of investment properties. The Group recorded a net increase in fair value of investment properties (after deferred tax and non-controlling interests) of HK$1,382 million (2025: decrease of HK$742 million).

	2026	2025
	HK$ Million	*HK$ Million*
Reported profit attributable to Company's shareholders	**21,426**	19,277
Adjustments in respect of investment properties		
(Increase)/decrease in fair value, net of tax and non-controlling interests	**(1,382)**	742
Fair value gains realized on disposal during the year	**2,806**	1,836
	1,424	2,578
Underlying profit attributable to Company's shareholders	**22,850**	21,855

The increase in underlying profit was primarily driven by higher underlying profits from sales of trading and investment properties in Hong Kong, as well as lower finance costs, while the Group's leasing and other recurring income remained resilient.

The Group's total revenue across business segments (including share of joint ventures and associates) increased by 22% year-on-year to HK$110,105 million, primarily driven by a 57% rise in revenue from property development to HK$54,191 million. Overall rental revenue increased by 2% to HK$24,987 million.

The Group's total segment operating profit remained stable at HK$32,163 million (2025: HK$32,188 million). Overall development profit maintained at HK$8,292 million (2025: HK$8,290 million), mainly due to higher contributions from Hong Kong, which were offset by lower contributions from the Mainland. Recurring profit held steady at HK$23,871 million (2025: HK$23,898 million), with overall net rental income increasing by 1% to HK$18,571 million (2025: HK$18,392 million).

Revenue and Operating profit by segment for the year ended 30 June
(including share of joint ventures and associates)

	Revenue		Operating profit	
	2026	2025	**2026**	2025
	HK$ Million	*HK$ Million*	***HK$ Million***	*HK$ Million*
Property development				
Hong Kong	**44,137**	26,139	**4,622**	3,200
Mainland	**10,054**	8,417	**3,670**	5,090
	54,191	34,556	**8,292**	8,290
Property rental				
Hong Kong	**17,703**	17,531	**12,820**	12,956
Mainland	**6,495**	6,173	**5,167**	4,864
Singapore	**789**	757	**584**	572
	24,987	24,461	**18,571**	18,392
Hotel operations	**5,460**	5,250	**728**	615
SmarTone (Telecommunications)	**6,604**	6,253	**749**	752
Transport infrastructure and logistics	**8,013**	8,622	**1,051**	1,666
SUNeVision (Data centre)	**3,117**	2,938	**1,624**	1,489
Other businesses	**7,733**	8,039	**1,148**	984
Segment total	**110,105**	90,119	**32,163**	32,188

Revenue from property development (including share of joint ventures) in Hong Kong increased by HK$17,998 million or 69% to HK$44,137 million, primarily driven by the booking of sales from newly completed development projects including Cullinan Sky Phases 1 & 2, Cullinan Harbour Phases 1 & 2A and SIERRA SEA Phases 1A(2) & 1B. Other contributions came from the sales of various stock of prior years' developments including NOVO LAND Phase 3A, Victoria Harbour, St. Barths, St Martin, The YOHO Hub II and YOHO WEST. Total development profit increased by HK$1,422 million or 44% to HK$4,622 million. Average profit margin was 11%, slightly lower as compared to 12% for the previous year, mainly dragged by lower profit margin from certain newly completed development projects.

During the year under review, the Group completed the sales of certain residential units held as investment properties including 48 units in Dynasty Court and 6 units in Shouson Peak, realizing total net proceeds of HK$4,344 million. The disposals generated an underlying profit of HK$3,159 million, which includes the realization of prior fair value gains and represents a 73% profit margin. Including these disposals, the total underlying profit from residential property sales in Hong Kong for the year reached HK$7,781 million, representing an overall profit margin of 16%.

Revenue from property development (including share of joint ventures) in the Mainland increased by HK$1,637 million or 19% to HK$10,054 million, mainly driven by higher sales volume of residential units. Development profit, however, declined by HK$1,420 million or 28% to HK$3,670 million compared to last year as the prior-year profit was primarily attributable to a highly profitable residential project, Shanghai Arch Phase 3, which contributed HK$4.6 billion in profit and HK$6.7 billion in revenue – an exceptional performance that did not recur this year. Contributions for the year were mainly derived from residential sales in Hangzhou IFC Mansion in Hangzhou IFC (River East), Cullinan West in Hangzhou IFC (River West), Lake Genève Phase 2 and ICC Residence in Suzhou.

As at 30 June 2026, contracted sales of properties (including investment properties) attributable to the Group (including share of joint ventures) not yet recognized amounted to HK$23.6 billion, comprising HK$22.8 billion in Hong Kong, of which about HK$21.0 billion is expected to be recognized in the next financial year, and HK$0.8 billion in the Mainland, all of which will be booked in the next financial year.

Overall rental revenue of property investment in Hong Kong, including share of joint ventures and associates, increased by 1% to HK$17,703 million, with net rental income maintained at HK$12,820 million. Revenue of the office portfolio amounted to HK$5,703 million (2025: HK$5,679 million), supported by high occupancy rate and new contributions from International Gateway Centre. Revenue of the retail portfolio remained stable at HK$9,078 million (2025: HK$9,085 million). Revenue from the Group's residential and serviced apartment portfolio grew 12% to HK$1,332 million (2025: HK$1,186 million), driven by increase in rent rates and occupancy.

Overall rental revenue and net rental income of the Mainland portfolio, including share of joint ventures, increased by 5% and 6% in Hong Kong dollar terms to HK$6,495 million and HK$5,167 million, respectively. In Renminbi ("RMB") terms, rental revenue increased by 1.5% to RMB5,796 million (2025: RMB5,713 million), with higher contributions from the retail portfolio offsetting the decline in office rental. Revenue of the retail portfolio rose 9% to HK$4,464 million (2025: HK$4,079 million), mainly driven by increase in turnover rents. The office portfolio dropped 5% in revenue to HK$1,661 million (2025: HK$1,743 million), mainly due to negative rental reversions.

Hotel segment revenue (including share of joint ventures) increased by 4% to HK$5,460 million, primarily due to increase in room revenue driven by improved room rates and occupancy. EBITDA grew 11% to HK$1,506 million (2025: HK$1,356 million). Operating profit (after depreciation) rose 18% to HK$728 million.

SmarTone's revenue increased 6% to HK$6,604 million, primarily due to higher handset and accessory sales, while operating profit remained stable at HK$749 million. Last year's results included a one-off gain from the disposal of its Macau business. Excluding this item, underlying operating profit grew 7%, driven by growth in 5G home broadband business, handset sales and reduction in operating costs.

The Group's transport infrastructure and logistics segment (including share of joint ventures and associates) remained resilient. The business aviation centre operations, Airport Freight Forwarding Centre, and parking business recorded improved performance. Due to expiry of the franchise for Route 3 in May 2025, revenue for the year decreased by 7% to HK$8,013 million, and operating profit dropped by HK$615 million or 37% to HK$1,051 million as compared to the previous year.

SUNeVision's revenue grew 6% to HK$3,117 million, driven by contributions from newly commissioned data centre facilities and sustained organic growth from the established portfolio. EBITDA rose 8% to HK$2,300 million. Operating profit (after depreciation) increased by 9% to HK$1,624 million.

The Group's other businesses (including share of joint ventures and associates), which include mainly property management, department store operations and financial services, reported a steady revenue at HK$7,733 million, while operating profit increased by 17% to HK$1,148 million.

Other Net Income

Other net income (including share of joint ventures and associates) amounted to HK$946 million (2025: HK$96 million). This mainly included a HK$523 million gain from land resumption by the Government and a reported profit of HK$353 million from the sale of investment properties.

The land resumption involved certain land lots with a total site area of about 1.1 million square feet in San Tin, Hung Shui Kiu/Ha Tsuen New Development Area and along the Northern Link Line owned by the Group (including share of joint ventures), with a total cash compensation of approximately HK$1,100 million.

The reported profit of HK$353 million on sale of investment properties, calculated based net sales proceeds over fair value, was mainly contributed from the disposal of certain residential units in Dynasty Court and Shouson Peak. Underlying profit, inclusive of HK$2,806 million fair value gains realized, amounted to HK$3,159 million.

Fair Value Change of Investment Properties

Investment properties were carried at fair values based on independent valuation as at 30 June 2026. These consist of completed investment properties and investment properties under development.

The Group (including share of joint ventures and associates) recorded a net increase of HK$979 million (2025: decrease of HK$1,557 million) in the fair value of investment properties, comprising an increase of HK$2,145 million (2025: decrease of HK$1,105 million) in Hong Kong, a decrease of HK$1,189 million (2025: decrease of HK$1,232 million) in the Mainland, and an increase of HK$23 million (2025: increase of HK$780 million) in the fair value of ION Orchard mall in Singapore.

Net increase in fair value attributable to the Company's shareholders (after related deferred tax and non-controlling interests) of HK$1,382 million (2025: net decrease of HK$742 million) was recorded in the consolidated income statement.

Finance Costs and Interest Cover

For the year ended 30 June 2026, the Group's net finance costs including capitalized interest decreased by HK$1,431 million or 33% to HK$2,949 million (2025: HK$4,380 million), driven by a reduction in net debt as well as lower average cost of borrowings, which went down to 3.0% (2025: 3.7%). Net finance costs charged to the income statement (after interest capitalized) decreased by HK$575 million or 23% to HK$1,910 million (2025: HK$2,485 million).

Interest cover for the year was 8.5 times (2025: 6.0 times), measured by the ratio of operating profit to total net interest expenses including those capitalized.

The average effective interest rate of the Group's borrowings for the year ended 30 June 2026 is analyzed as follows:

	Year ended 30 June	
	2026	2025
Fixed rate	**2.8%**	2.8%
Floating rate	**3.1%**	4.2%
Weighted average interest rate	**3.0%**	3.7%

Financial Management

The Group continues to adopt a proactive and disciplined approach in financial management by maintaining a healthy balance sheet and a diversified base of funding sources with sufficient financial resources to support operations and business growth. The Group constantly reviews its capital structure and financial position to ensure that it remains financially sound, so that the Group can continue to provide returns to shareholders while keeping financial leverage at a prudent level.

The entire Group's financing risk management, financing and treasury activities are centrally managed and controlled at the corporate level.

Gearing Ratio

The Group's balance sheet remains strong. Shareholders' equity was HK$633.9 billion or HK$218.8 per share as at 30 June 2026 compared to HK$617.9 billion as at 30 June 2025. The increase was primarily attributable to profit attributable to the shareholders of HK$21.4 billion and foreign exchange gain of HK$5.2 billion on translation of financial statements of the Mainland and overseas operations, offset by dividends of HK$11.0 billion paid during the year.

The Group's net debt amounted to HK$67,615 million as at 30 June 2026 (30 June 2025: HK$93,298 million), decreased by HK$25,683 million or 28%, primarily driven by cash flows from property sales and lower construction spending. Gearing ratio, calculated based on net debt to shareholders' equity of the Company, was 10.7% (30 June 2025: 15.1%).

Debt Maturity Profile and Composition

The Group's gross borrowings amounted to HK$97,668 million as at 30 June 2026, of which 67% were bank loans and 33% were notes and bonds, which are repayable on various dates up to June 2033. 55% of the Group's gross borrowing was raised through its wholly-owned finance subsidiaries and the remaining 45% through operating subsidiaries.

The Group's debt maturity profile was well-staggered with around 73% of the borrowings repayable after two years. The weighted average duration of the entire debt portfolio was approximately 3.3 years as of 30 June 2026 (30 June 2025: 3.1 years).

The maturity profile of the Group's gross borrowings is set out as follows:

	At 30 June 2026		At 30 June 2025	
	HK$ Million	**% of Total**	*HK$ Million*	% of Total
Repayable:				
Within one year	**14,204**	**15%**	14,384	13%
After one year but within two years	**11,778**	**12%**	19,071	17%
After two years but within five years	**50,806**	**52%**	63,908	58%
After five years	**20,880**	**21%**	12,854	12%
Total bank and other borrowings	**97,668**	**100%**	110,217	100%
Bank deposits and cash	**30,053**		16,919	
Net debt	**67,615**		93,298	

Composition of the Group's debt portfolio is as follows:

(i) By currency (after currency swap)

	At 30 June 2026		At 30 June 2025	
	HK$ Million	**% of Total**	*HK$ Million*	% of Total
Hong Kong dollar	**57,364**	**59%**	77,834	70%
RMB	**38,310**	**39%**	30,411	28%
British pound	**1,994**	**2%**	1,972	2%
Total borrowings	**97,668**	**100%**	110,217	100%

When financing operations outside Hong Kong, the Group will borrow on the same currency as the underlying assets or when feasible, hedge through cross currency swaps for exchange risk exposure. As of 30 June 2026, about 39% of the Group's total borrowings were denominated in RMB to act as natural hedges of net investments in the Mainland.

(ii) By fixed or floating interest (after interest rate swap)

	At 30 June 2026		At 30 June 2025	
	HK$ Million	**% of Total**	*HK$ Million*	% of Total
Fixed	**36,674**	**38%**	42,151	38%
Floating				
- Hong Kong dollar	**29,161**	**30%**	47,324	43%
- RMB	**29,839**	**30%**	18,770	17%
- British pound	**1,994**	**2%**	1,972	2%
Total borrowings	**97,668**	**100%**	110,217	100%

Financial Resources

The Group's strong financial strength enables it to continue raising long-term financing from various sources at competitive rates. As part of its prudent debt management policy, the Group has always secured considerable amount of undrawn committed banking facilities, most of which are arranged on a medium to long term basis with a well-balanced maturity profile, to help minimize refinancing risk and attain financing flexibility, while optimizing financing cost. The Group closely monitors its liquidity and financing requirements to ensure that available financial resources are in place to cover its financing needs.

With substantial amount of standby banking facilities in place, continuous cash inflow from property sales and a solid base of recurring income, the Group has adequate financial resources for its funding requirements and is well positioned to take advantage of investment opportunities when they arise.

Foreign Exchange Rate Risk Management

The Group's foreign exchange exposure was small given both its large asset base and operational cash flow are primarily denominated in Hong Kong dollar, which is the Group's presentation currency.

The Group is exposed to currency translation risk mainly arising from translating the financial statements of subsidiaries and joint ventures operating in the Mainland. The Group has not entered into foreign currency derivatives to hedge the translation risk exposure of its net investments in the Mainland, and maintain an appropriate level of RMB-denominated financial resources for capital requirements. Land acquisition for the Mainland projects are principally financed by capital injection funded by the Group's equity and internally generated funds. On-going business operations in the Mainland are financed through internal resources and borrowings in RMB. As at 30 June 2026, approximately 18% of the Group's net assets were denominated in RMB. Compared with 30 June 2025, RMB appreciated against Hong Kong dollar by about 5.4%. The translation of these RMB assets into Hong Kong dollar at the exchange rate as of 30 June 2026 resulted in a translation gain of approximately HK$5.5 billion (2025: HK$2.4 billion), recognized in the exchange reserve.

The Group has insignificant currency risk exposure associated with certain monetary assets and liabilities denominated in foreign currencies. Where feasible and cost effective, the Group may enter into foreign exchange contracts to reduce the currency risk.

Derivative Instruments

As at 30 June 2026, the Group has entered into certain cross currency interest rate swaps in the aggregate notional amount of HK$15,253 million to manage its interest rate risk and currency risk exposures. The use of derivative instruments is strictly controlled and solely for hedging the Group's underlying financial exposures for its core business operations. It is the Group's policy not to enter into derivative and structured product transactions for speculative purposes.

Bank Deposits and Cash

As at 30 June 2026, the Group's bank deposits and cash amounted to HK$30,053 million, of which 72% were denominated in Hong Kong dollar, 12% in RMB, and the remaining 16% mostly in US dollar. The RMB deposits were mostly held by the Mainland subsidiaries to meet the funding needs of their Mainland projects.

All deposits are placed with banks carrying strong credit ratings with appropriate credit limits assigned relative to their credit strength and are regularly monitored for exposures to each financial counterparty.

Charges of Assets

As at 30 June 2026, certain bank deposits of the Group's subsidiaries in the aggregate amount of HK$45 million were pledged for securing guarantees issued by the banks. Additionally, certain assets of the Group's subsidiaries with an aggregate carrying value of HK$21,033 million have been charged as security for their bank borrowings. Except for the aforementioned charges, all the Group's assets are free from any encumbrances.

Contingent Liabilities

As at 30 June 2026, the Group had contingent liabilities in respect of guarantees for bank borrowings of certain joint ventures and other guarantees in the aggregate amount of HK$2,177 million (30 June 2025: HK$1,955 million).

EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES OF THE GROUP

As at 30 June 2026, the Group employed more than 39,000 employees. The related employees' costs before reimbursements for the year amounted to approximately HK$15,131 million. Compensation for the Group is made with reference to the market as well as individual performance and contributions. Extensive use of bonuses to link performance with reward is adopted. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to individual needs. Share option and share award schemes have also been adopted by certain subsidiaries of the Company to provide appropriate long-term incentive to the key staff of the Group. Details of the share option and share award schemes of the Group are set out in the section headed "Share Option and Share Award Schemes" of the annual report of the Company.

BASIS OF DETERMINING EMOLUMENT TO DIRECTORS

The same remuneration philosophy also applies to the Directors of the Company. Apart from benchmarking against the market, the Company looks at individual competence and contributions and the affordability of the Company in determining the exact level of remuneration for each Director. Appropriate benefits schemes are also in place for the Executive Directors.

DIVIDEND

The Board of Directors of the Company (the "Board") has decided to recommend the payment of a final dividend of HK$2.93 per share (2025: HK$2.80 per share) for the year ended 30 June 2026. Including the interim dividend of HK$0.98 per share paid on 19 March 2026, the total dividend for the year ended 30 June 2026 amounts to HK$3.91 per share (2025: HK$3.75 per share).

The proposed final dividend, if approved at the forthcoming annual general meeting of the Company (the "2026 Annual General Meeting"), will be payable in cash on Thursday, 19 November 2026 to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Thursday, 12 November 2026. Shares of the Company will be traded ex-dividend as from Tuesday, 10 November 2026.

ANNUAL GENERAL MEETING

The 2026 Annual General Meeting will be held on Thursday, 5 November 2026 and the Notice of the 2026 Annual General Meeting will be published and despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

(1) The record date for ascertaining Shareholders' entitlement to attend and vote at the 2026 Annual General Meeting will be Thursday, 5 November 2026. The register of members of the Company will be closed from Monday, 2 November 2026 to Thursday, 5 November 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2026 Annual General Meeting, Shareholders must lodge all transfer documents accompanied by the relevant share certificates (together the "Share Transfer Documents") for registration not later than 4:30 p.m. on Friday, 30 October 2026.

(2) The record date for ascertaining Shareholders' entitlement to the proposed final dividend will be Thursday, 12 November 2026, during which the register of members of the Company will be closed and no transfer of shares will be registered. In order to establish entitlements to the proposed final dividend, Shareholders must lodge the Share Transfer Documents for registration not later than 4:30 p.m. on Wednesday, 11 November 2026.

(3) The Share Transfer Documents shall be lodged for registration with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the year ended 30 June 2026.

AUDIT AND RISK MANAGEMENT COMMITTEE

The annual results for the year ended 30 June 2026 have been reviewed by the Audit and Risk Management Committee of the Company. The Group's consolidated financial statements have been audited by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, and it has issued an unmodified opinion.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 30 June 2026, the Company has complied with the code provisions (the "Code Provisions") of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except that there is no separation of the roles of chairman and chief executive as required under Code Provision C.2.1. However, the powers and authorities have not been concentrated as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as top management. In addition, there are seven Independent Non-Executive Directors and one Non-Executive Director on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place.

ANNUAL REPORT

The 2025/26 annual report containing all the financial and other related information of the Company required by the Listing Rules will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.shkp.com, and will be sent to the Shareholders before the end of October 2026.

By order of the Board
YUNG Sheung-tat, Sandy
Company Secretary

Hong Kong, 10 September 2026

As at the date hereof, the Board comprises eight Executive Directors, being KWOK Ping-luen, Raymond (Chairman and Managing Director)(KWOK Ho-lai, Edward being his Alternate Director), WONG Chik-wing, Mike (Deputy Managing Director), LUI Ting, Victor (Deputy Managing Director), KWOK Kai-fai, Adam, KWOK Kai-wang, Christopher, TUNG Chi-ho, Eric, FUNG Yuk-lun, Allen and CHAN Hong-ki, Robert; one Non-Executive Director, being KWOK Kai-chun, Geoffrey; and seven Independent Non-Executive Directors, being YIP Dicky Peter, WONG Yue-chim, Richard, LI Ka-cheung, Eric, FUNG Kwok-lun, William, LEUNG Nai-pang, Norman, LEUNG KO May-yee, Margaret and FAN Hung-ling, Henry.