Hang Lung
Group Limited

Stock Code:00010

HANG LUNG GROUP

and beyond

2026
Interim Report

We Do It Well

CONTENTS

HONORARY CHAIR

Ronnie C. Chan *GBM*

DIRECTORS

Adriel Chan *(Chair)*
Weber W.P. Lo *(Chief Executive Officer)*
Gerald L. Chan#
Simon S.O. Ip *GBS, CBE, JP**
P.W. Liu *SBS, JP**
Martin C.K. Liao *GBM, GBS, JP**
George K.K. Chang#
Roy Y.C. Chen#
May S.B. Tan*
Kenneth K.K. Chiu *(Chief Financial Officer)*

Non-Executive Director
* *Independent Non-Executive Director*

AUDIT COMMITTEE

Simon S.O. Ip *GBS, CBE, JP (Chair)*
P.W. Liu *SBS, JP*
George K.K. Chang
May S.B. Tan

NOMINATION AND REMUNERATION COMMITTEE

P.W. Liu *SBS, JP (Chair)*
Adriel Chan
Simon S.O. Ip *GBS, CBE, JP*
Martin C.K. Liao *GBM, GBS, JP*
May S.B. Tan

AUTHORIZED REPRESENTATIVES

Weber W.P. Lo
Winnie Ma

COMPANY SECRETARY

Winnie Ma

REGISTERED OFFICE

28th Floor, 4 Des Voeux Road Central,
Hong Kong
Tel: 2879 0111
Fax: 2868 6086
Website: http://www.hanglunggroup.com
Email: HLGroup@hanglung.com

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

Chair's Letter to Shareholders

Dear Stakeholders,

The first half of 2026 has, as a whole, seen continued broad-based performance improvements across our projects in the Chinese Mainland. However, the market is not without challenges that weigh on various sectors and geographies.

Mall foot traffic, sales, occupancy, and rentals are generally improving, with several exceptions, while office occupancy is still high despite significant pressure on pricing. Residential markets are, unfortunately, yet to emerge from the doldrums, but we remain committed to making the most of the market when opportunities present themselves.

Beginning with our primary segment — retail — the first two quarters of 2026 were markedly different. The first quarter was characterized by double-digit sales growth and record foot traffic and rentals, while the second quarter saw a distinct slowdown in retail sales, especially for luxury products. Had I been writing this letter in April, I would likely have predicted a record-breaking first half. Unfortunately, while April was still a reasonably strong month, May brought a noticeable loss of momentum, reflected in the often-cited official Chinese retail growth rate dipping into negative territory for the first time since December 2022. However, I note that this measurement was primarily dragged down by drops in automotive (namely new electric vehicle sales) and residential sales, neither of which directly reflects retail consumption in the mall environment. Of particular importance is that the steep decline in car sales was driven largely by the Chinese government's reduction and partial discontinuation of electric vehicle subsidies, which began in January. The subsidies are expected to be completely phased out by December 31 this year. Although our sales numbers did not turn negative, they also dipped in May. Thankfully, sales returned to a healthier level in June, and we expect our full-year performance to be positive.

The mall sector in the Chinese Mainland continues to be broadly oversaturated. While a subset of well-positioned malls continues to perform, a growing number are being left behind. In every city in which we operate, we observe multiple closures and an abundance of "zombie" malls — properties that remain open but very few operating stores inside. Many have entirely closed their upper floors, with some lights, air conditioning, and escalators turned off. This polarization reflects a consumer shift toward fewer, higher-quality destinations, accelerating the decline of malls that fail to meet rising expectations.

This is the result of a number of factors, the main ones being:

1) Consumers now have significantly more options for how and where to spend their free time than before: the rapidly growing range of leisure, sports, and entertainment options beyond shopping has diverted attention away from malls. (At the same time, this has proven to be a boon for some brands, namely those who supply the clothing, accessories, and equipment for these activities.)

2) Due to the above, the large stock of existing mall space, combined with competition between retailers and from other channels, has driven consumer expectations for retail environments dramatically higher. What was once considered good design, cleanliness, and customer experience is no longer sufficient, and mall operators have been forced to invest in enhancements or risk being overtaken by newer, more compelling retail spaces.

3) Consumer sentiment is still negative, hovering around 90 points, which is below the neutral 100-point level and well below the pre-pandemic level of around 125 points. These figures, from the National Bureau of Statistics of China's Consumer Confidence Index (CCCI), are at least still above the low of 85.5, measured in November 2022.

Meanwhile, for our Hong Kong portfolio, we are encouraged to see that the retail sales trend has finally moved into positive territory, up 3% year on year. Although I do not anticipate any immediate catalysts for a sudden, strong retail recovery, I am happy enough to close this chapter of nearly seven years of sluggish retail sales. To be sure, it will be many years until we return to the 2018 peak, but with the team's active efforts and our resilient portfolio, I expect we should see stability and growth in the years to come. Our continued tenant and space upgrades across our properties, in particular in Causeway Bay and The Peak, should bear fruit in the coming months.

Our Mainland office portfolio faced similar conditions, but they manifested slightly differently. Supply of office towers (and therefore competition) is extremely high in almost all of our cities, pushing prices to new lows. Thankfully, our strategy of building only top-quality international Grade-A office towers in prime locations (and atop our high-end malls, to boot) has given us a wide moat and defensibility against the competition. We are always at the top of the food chain, so to speak, which means that we can always attract tenants and maintain occupancy, even if we are pressured to reduce prices. However, competitors with lower quality office hardware or software, or those in off-center locations, are more likely to suffer from both low occupancy and low rents. Therefore, even though office revenue numbers are not particularly encouraging, our specific position remains strong.

Hong Kong offices are, thankfully, another bright spot in our portfolio. The expansion of financial services, the influx of family offices, and related services have helped write the recovery story, which began in Central last year and is now starting to lift other office districts. We have experienced a 1% rise in office receipts, which is commensurate with the market.

The most important milestone for Hang Lung since my last letter has been the opening of our Westlake 66 project in Hangzhou, which welcomed its first customers on April 28. It is no exaggeration to say that this has been our best new mall opening yet. Strong opening tenancies (even without luxury brands), consistently high foot and car traffic, continued social media buzz, and, of course, healthy sales and rental numbers, are all signals of the mall's success. As of June 30, the mall was 89% occupied, and by year-end, that number will rise to about 100%. The opening of additional areas, including two historic buildings immediately outside the mall and a new connection to the subway system to our north, will give the project continued momentum over the next six to nine months. Most malls are able to attract traffic on opening day or during opening month, but the real test is these metrics over time. I am encouraged by what we have delivered so far, and confident that I will be able to report back with equal optimism in six months' time and again a year from now.

Although not all our office space in the project is available for lease yet, using the total eventual available area, we are currently at 13% occupancy and hope to reach about 50% by the end of the year. This represents a healthy uptake in any market, but is especially notable under current conditions. Of course, it must be said that the strong performance of the mall and offices alike also reflects the dynamism of Hangzhou and again highlights the importance of choosing the right cities in which to invest.

The relative lack of luxury brands at opening has been noticeable, given our reputation and history of partnerships with these brands. However, I am pleased to report that several luxury names will open at Westlake 66 later this year, and that we are working closely with other leading brands to secure further openings. The mall's success to date will undoubtedly bolster our position in future negotiations. Combined with the additional office towers and Mandarin Oriental Hangzhou, which are due to open later this year and in early 2027, respectively, we have already cemented our position as a Hangzhou landmark. However, more important to our long-term success than the presence of luxury brands is the design and utilization of the space. Of course, shop layouts are important, but even more directly relevant to consumers are the public spaces we provide. Westlake 66's rooftop garden, *The Oasis*, provides pop-up retailers, restaurants, and customers with a beautifully landscaped and truly compelling outdoor space, great for al fresco dining, unique shopping environments, and the simple luxury of being able to touch grass. *The Oasis* links the mall, office towers, and Mandarin Oriental together, providing a dynamic, engaging space for shoppers, browsers, workers, and travelers to mingle.

While Westlake 66 represents the last greenfield project in our existing pipeline, I am excited to report that our "V.3" expansion projects are moving along steadily as well. In Shanghai, the Plaza 66 Pavilion will open later this year, welcoming 27 new brands over an additional 4,300 square meters of leasable space. Shortly after that, we will open our new, larger VIC lounge, as well as a completely reimagined rooftop. Together, these additions and enhancements mark a meaningful and important upgrade to our flagship, just in time for the project's 25th anniversary. For our new asset-light projects, all relevant joint venture agreements are now in place, and we are set to take possession of all three projects, namely Westlake 66 Expansion, Center 66 Expansion, and No. 1038 West Nanjing Road Commercial Project, in 2027–2028. If things go well as planned, we expect to see our first dollar back in 2028 — a significantly shorter return timeline than in our traditional asset-heavy projects.

<August 7 addendum>

We announced on July 31 — along with our interim results — that we had identified our next CEO, followed by the announcement on August 7 that our current CEO, Mr. Weber LO, would retire on September 30, after a three-week transitional overlap with the incoming CEO. I am delighted to announce that Mr. Leo TSOI has been selected by the Boards to lead Hang Lung into its next chapter.

This marks the end of a nearly eight-and-a-half-year tenure for Weber, and I want to express my profound thanks for all he has achieved during this time. A lesser CEO might have been content simply to survive the multi-year barrage we faced over this period. For us, this "new normal" of abnormalities began with the 2019 riots in Hong Kong, followed immediately by more than three years of extraordinary disruption caused by Covid. The post-Covid V-shaped (for us, but otherwise more broadly K-shaped) recovery in 2021–22 gave way to the "Covid hangover" in the Mainland in 2022–23. In 2024, Weber helped ensure that Hang Lung's Chair transition went smoothly, even against the backdrop of the irrational characterization of Mainland and Hong Kong markets as "uninvestable." Partly as a result of that perception, the same year also saw our lowest share price since 2000. Last year brought another US-led global trade war, and now in 2026, the world has witnessed the start of yet another serious regional war with huge global implications. All of these have had significant knock-on effects on our operations, share price, and access to finance, but Weber and the team managed them very ably. In fact, we have not only weathered these challenges, but I would go so far as to say we have thrived. As an organization, our people are more energized and dynamic than ever; we have the highest-performing and most engaged team in our history, and I truly believe we are as well-positioned for the future as we could be — thanks to Weber.

While I am naturally sad that Weber has decided to step down, I am more excited for the future because of the legacy that he leaves. On behalf of the Company, I extend a deep and heartfelt *thank you, Weber*. May your future endeavors all be measured against your achievements at Hang Lung!

Adriel Chan
Chair
Hong Kong, July 31, 2026

Financial Highlights

in HK$ Million (unless otherwise stated)

RESULTS

	For the six months ended June 30							
	2026				2025			
	Property Leasing	**Hotels**	**Property Sales**	**Total**	Property Leasing	Hotels	Property Sales	Total
Revenue	**5,151**	**147**	**1,043**	**6,341**	4,912	129	161	5,202
– Chinese Mainland	**3,610**	**147**	**28**	**3,785**	3,363	129	10	3,502
– Hong Kong	**1,541**	**–**	**1,015**	**2,556**	1,549	–	151	1,700
Operating profit/(loss)	**3,623**	**(29)**	**(187)**	**3,407**	3,499	(34)	(57)	3,408
– Chinese Mainland	**2,434**	**(29)**	**(157)**	**2,248**	2,284	(34)	(26)	2,224
– Hong Kong	**1,189**	**–**	**(30)**	**1,159**	1,215	–	(31)	1,184
Underlying net profit/(loss) attributable to shareholders	**1,285**	**(42)**	**(120)**	**1,123**	1,259	(49)	(19)	1,191
Net decrease in fair value of properties attributable to shareholders	**(377)**	**–**	**–**	**(377)**	(494)	–	–	(494)
Net profit/(loss) attributable to shareholders	**908**	**(42)**	**(120)**	**746**	765	(49)	(19)	697

	At June 30, 2026	At December 31, 2025
Shareholders' equity	**102,299**	98,881
Net assets attributable to shareholders per share (HK$)	**$75.1**	$72.6

Earnings and Dividends (HK$)

	2026	2025
Earnings per share		
– Based on underlying net profit attributable to shareholders	**$0.82**	$0.87
– Based on net profit attributable to shareholders	**$0.55**	$0.51
Interim dividend per share	**$0.21**	$0.21

Financial Ratios

	At June 30, 2026	At December 31, 2025
Net debt to equity ratio	**30.5%**	30.9%
Debt to equity ratio	**34.9%**	35.3%

RESULTS HIGHLIGHTS

For the six months ended June 30, 2026, consumer sentiment in the Chinese Mainland showed improvement, underpinned by government stimulus measures and a low-interest-rate environment. In Hong Kong, the stronger Renminbi ("RMB") helped revive tourism flows and retail momentum. Hang Lung Group Limited (the "Company") and its subsidiaries (collectively known as "the Group") maintained high occupancy and disciplined execution, underscoring the Group's resilience amid market challenges. Core leasing revenue delivered growth in the Chinese Mainland, while performance in Hong Kong remained stable.

In the Chinese Mainland, our mall portfolio generated revenue growth of 6% in RMB terms, with overall occupancy level achieving 96% by the end of June. We continued to upgrade our tenant composition by exiting underperforming brands and introducing new and exclusive offerings, strengthening overall retail competitiveness throughout the reporting period. These efforts were complemented by a wide range of city-specific experiential initiatives, that deepened customer engagement, sustained foot traffic, and boosted tenant sales, reinforcing our malls as key community hubs.

In Hong Kong, active leasing initiatives and tenant retention efforts helped maintain stable occupancy across both our retail and office portfolios, with occupancy rates of approximately 95% and 91%, respectively. Upgrades to our Central Business and Tourist District Portfolio contributed to steady retail occupancy and enhanced the overall tenant offering. For the office segment, occupancy of our Hong Kong Island Portfolio was underpinned by increased leasing activity at Standard Chartered Bank Building, including our flexible coworking space NET•WORK, as well as at 228 Electric Road. Benefiting from the government's talent admission scheme, revenue and occupancy of the residential and serviced apartments segment rose 7% and nine points year-on-year, respectively.

The Group recorded total revenue of HK$6,341 million in the first half of 2026 (2025: HK$5,202 million). Overall operating profit was HK$3,407 million (2025: HK$3,408 million). Revenue and operating profit from property leasing reached HK$5,151 million (2025: HK$4,912 million) and HK$3,623 million (2025: HK$3,499 million), respectively. Hotel revenue reported HK$147 million (2025: HK$129 million), and property sales revenue recorded HK$1,043 million (2025: HK$161 million).

Marking Hang Lung's 66th anniversary, the Group commenced a new stage of growth under the theme "66 and beyond," reaffirming our dedication to creating exceptional spaces that enrich communities. This milestone was highlighted by the launch of Westlake 66 in Hangzhou, together with a series of nationwide initiatives across our retail, office, and hotel portfolios, aimed at strengthening customer and community engagement and reinforcing the long-term competitiveness of our portfolio.

CONSOLIDATED RESULTS

Overall revenue of the Group for the six months ended June 30, 2026 increased 22% year-on-year to HK$6,341 million, primarily driven by a 548% rise in property sales, which amounted to HK$1,043 million. Overall operating profit maintained at HK$3,407 million. The mall leasing market in the Chinese Mainland improved, with property leasing achieved steady growth, with revenue and operating profit increased 5% to HK$5,151 million and 4% to HK$3,623 million, respectively. Hotel revenue advanced 14% to HK$147 million on the back of stronger domestic and inbound travel demand, while the operating loss after depreciation narrowed 15% to HK$29 million.

Underlying net profit attributable to shareholders dropped 6% to HK$1,123 million, primarily due to higher operating loss from property sales in the Chinese Mainland after a non-cash inventory provision and increased finance costs from reduced interest capitalization, which offset the improvement in property leasing performance. The underlying earnings per share was HK$0.82.

The Group reported a net profit attributable to shareholders of HK$746 million (2025: HK$697 million) when including a net revaluation loss on properties attributable to shareholders of HK$377 million (2025: HK$494 million). The corresponding earnings per share amounted to HK$0.55 (2025: HK$0.51).

Revenue and Operating Profit for the Six Months Ended June 30

	Revenue			Operating Profit/(Loss)		
	2026 HK$ Million	2025 HK$ Million	Change	**2026 HK$ Million**	2025 HK$ Million	Change
Property Leasing	**5,151**	4,912	5%	**3,623**	3,499	4%
Chinese Mainland	**3,610**	3,363	7%	**2,434**	2,284	7%
Hong Kong	**1,541**	1,549	-1%	**1,189**	1,215	-2%
Hotels (Chinese Mainland)	**147**	129	14%	**(29)**	(34)	15%
Property Sales	**1,043**	161	548%	**(187)**	(57)	-228%
Chinese Mainland	**28**	10	180%	**(157)**	(26)	-504%
Hong Kong	**1,015**	151	572%	**(30)**	(31)	3%
Total	**6,341**	5,202	22%	**3,407**	3,408	–

DIVIDEND

The Board of Directors (the "Board") of the Company has declared an interim dividend of HK21 cents per share for 2026 (2025: HK21 cents) to be paid in cash on September 25, 2026, to shareholders whose names are listed on the register of members of the Company on August 14, 2026.

PROPERTY LEASING

Overall rental revenue increased 5% to HK$5,151 million for the first half of 2026. Rental revenue of the Chinese Mainland portfolio rose 3% in RMB terms and 7% in HKD terms, reflecting the year-on-year RMB appreciation. Rental revenue of the Hong Kong portfolio dropped 1%.

On the back of stable demand from affluent consumers and a growing emphasis on quality, craftsmanship, and experiential value, the high-end retail market in the Chinese Mainland continued its gradual and selective recovery. To capture these trends, we further refined our tenant mix and worked in close partnership with tenants to expand store formats and introduce more immersive retail concepts, including curated IP collaborations and first-to-market offerings, as well as additional marketing initiatives tailored to local narratives. This drove a stronger presence of food and beverage, wellness, beauty, and lifestyle offerings, which helped sustain customer traffic and support tenant sales. As a result, overall rental revenue from our mall portfolio grew 6%, while tenant sales climbed 17% year-on-year in RMB terms. Overall occupancy level at the end of the period edged up two points to 96%.

The Chinese Mainland's office market remains oversupplied, with elevated vacancy levels and ongoing pressure on rental rates. Compared with the first half of 2025, revenue from our office portfolio decreased 11%, while occupancy stayed at 81% at the end of the period. Nevertheless, the rate of decline has started to ease, supported by flight-to-quality demand in prime business districts, particularly from the technology, financial, and consumption-related sectors.

During the first half of 2026, Hong Kong's retail sector demonstrated initial signs of stabilization. Northbound spending by local residents moderated slightly, while improved performance in residential property prices lifted consumer confidence. Visitor arrivals continued to grow, driven by the city's mega event initiatives. During the reporting period, as part of the retail mix upgrade, the expiration of certain anchor tenant leases in Causeway Bay and renovation works by incoming tenants in some vacant spaces caused a slight decrease in overall rental revenue of 2%, while tenant sales recorded modest growth of 3%. This transitional phase enabled the introduction of short-term pop-up concepts, keeping customer engagement strong. Occupancy remained high at 95%.

Supported by flight-to-quality demand, capital inflows, and a more active capital market, the Hong Kong office market also began to exhibit early signs of stabilization. Leasing demand remained focused on core business districts, led mainly by financial institutions and professional services firms, while non-core locations faced persistent headwinds. Our office portfolio recorded a stable performance, with overall rental revenue rising 1% and occupancy increasing by three points to 91%, reflecting resilient leasing demand in prime locations and gradually improving market conditions.

During Hang Lung's 66th anniversary year, we achieved a significant expansion of our Chinese Mainland footprint with the opening of Westlake 66 in Hangzhou, strategically located in the core location of the Yangtze River Delta. We also implemented a series of portfolio-wide initiatives, including targeted marketing campaigns, experiential programming, and customer relationship management ("CRM") programs to strengthen customer engagement, enhance loyalty, and bolster the long-term value of our assets.

Chinese Mainland[1]

Property Leasing – Chinese Mainland Portfolio for the Six Months Ended June 30

	Revenue (RMB Million)		
	2026	2025	Change
Malls	**2,567**	2,412	6%
Offices	**566**	638	-11%
Residential & Serviced Apartments	**50**	50	–
Total	**3,183**	3,100	3%
Total in HK$ Million equivalent	***3,610***	*3,363*	*7%*

For the six months ended June 30, 2026, overall rental revenue and operating profit in RMB terms increased 3% and 2%, respectively. Buoyed by our strategic initiatives and rising consumer confidence in the Chinese Mainland, our mall portfolio sustained high occupancy and recorded robust rental revenue growth. Revenue from our premium office portfolio, however, fell 11%, mainly due to excess supply in highly competitive markets.

- *Malls*

In the first half of 2026, total revenue from our mall portfolio reached RMB2,567 million, representing a year-on-year increase of 6% and marking a record high. Strong performance across most malls was partly dampened by declines at Riverside 66 in Tianjin, Heartland 66 in Wuhan and Forum 66 in Shenyang amid intensified regional competition.

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

Property Leasing – Chinese Mainland Mall Portfolio for the Six Months Ended June 30

	Revenue (RMB Million)			Period-end Occupancy Rate		
Name of Mall and City	2026	2025	Change	June 2026	December 2025	June 2025
Plaza 66, Shanghai	**887**	822	8%	**98%**	96%	98%
Grand Gateway 66, Shanghai	**604**	597	1%	**98%**	100%	99%
Center 66, Wuxi	**269**	245	10%	**100%**	100%	96%
Olympia 66, Dalian	**177**	159	11%	**97%**	95%	94%
Spring City 66, Kunming	**172**	162	6%	**99%**	99%	99%
Parc 66, Jinan	**165**	159	4%	**96%**	97%	94%
Palace 66, Shenyang	**91**	83	10%	**98%**	98%	96%
Riverside 66, Tianjin	**80**	82	-2%	**96%**	94%	94%
Heartland 66, Wuhan	**62**	76	-18%	**92%**	90%	88%
Westlake 66, Hangzhou #	**37**	–	N/A	**89%**	N/A	N/A
Forum 66, Shenyang	**23**	27	-15%	**88%**	89%	86%
Total	**2,567**	2,412	6%			

Opened on April 28, 2026

Revenue and tenant sales of our flagship **Plaza 66** mall in Shanghai rose 8% and 24%, respectively, supported by flagship-driven retail experiences and robust demand for gold products. Occupancy rate remained high at 98%. In celebration of Plaza 66's silver jubilee, the "Echoing Variation: Celebrating the 25th anniversary" campaign, combining music and collective memories of the mall, intensified engagement with high-value customers and expanded the membership base of HOUSE 66, our CRM program, further strengthening the mall's leading position in Shanghai and the Chinese Mainland.

The Grand Gateway 66 mall, also in Shanghai, delivered a 1% and 24% growth in revenue and tenant sales, respectively, with occupancy staying strong at 98% at period end. Continued refinement of the tenant mix contributed to the solid performance, including further expansions of personal care and beauty offerings to enrich customer engagement and diversify touchpoints. Tailored campaigns, such as the "LOVE OUT LOUD" for the 520 festival, further stimulated customer interest through immersive experiences, limited-time promotions, and exclusive collections.

Revenue of the **Center 66** mall in Wuxi increased 10%, supported by continued tenant mix enhancement, particularly in the food and beverage and lifestyle segments, alongside strengthened CRM engagement, which helped mitigate softer performance in the high-end retail segment. Tenant sales rose 7%, and the mall maintained full occupancy at period end. The "Wonderlost in Spring" campaign transformed the mall into an immersive destination through curated installations, live performances, and interactive activities, driving footfall and customer interest.

Olympia 66 in Dalian achieved solid results, with revenue and tenant sales both rising 11%, and occupancy increasing three points to 97% at period end. The introduction of the Wuzhen Theatre Festival Parade served as a key cultural initiative, featuring captivating performances, street-style parades, creative installations, and exclusive brand showcases. The campaign generated higher footfall and heightened customer engagement, further reinforcing Olympia 66's positioning as a premier lifestyle hub in northeastern China.

Revenue and tenant sales of the **Spring City 66** mall in Kunming grew 6% and 12%, respectively, with occupancy remaining high at 99% at period end. The mall enhanced its non-luxury offering by upgrading selected brands to exclusive flagship formats. A series of lifestyle-focused events, aligned with the revitalization of Shangyi Street as an open-air extension of the mall, further reinforced its role as a community destination and expanded its appeal to a wider audience.

Revenue and tenant sales of **Parc 66** in Jinan rose 4% and 13%, respectively, with occupancy rate improving two points to 96%. The "Sweet Sips Market" initiative integrated cultural concepts, lifestyle dining, fragrance experiences, and immersive settings, establishing a high-quality holiday destination that resonated with younger audiences and strengthened the mall's positioning as a relaxed, experience-driven lifestyle hub.

Palace 66 in Shenyang achieved revenue and tenant sales growth of 10% and 23%, respectively. Occupancy rate climbed two points to 98% at the end of the period. The mall further enhanced its outdoor athleisure offering, significantly boosting tenant sales and establishing itself as the city's leading destination for this segment. Over the Golden Week of May, "Gourmet Lab" at Tonghang Alley was launched, introducing a barbecue-themed street activation featuring live entertainment and experiential dining concepts. Refurbished spaces, new food and beverage offerings, and tenant collaborations further supported foot traffic and broadened Palace 66's appeal among younger customers.

Riverside 66 in Tianjin recorded 2% decline in revenue, with tenant sales rising 1% and occupancy edging up two points to 96%. Customer engagement was maintained through the "Sweet Encounters" campaign, staged along the historic pedestrian street with dessert-themed art installations and interactive experiences. Anchored by the iconic "Century Wall," the campaign integrated contemporary visual elements with heritage architecture, further enhancing the mall's cultural vibrancy and connection with the local community.

Amid intense promotional competition, revenue and tenant sales of the **Heartland 66** mall declined 18% and 13%, respectively. In response, the mall enhanced its tenant mix by introducing Michelin-starred restaurants and stepped up its marketing initiatives to lift customer loyalty. In early June, the mall debuted its 24KR Korean-themed zone, offering over 100 Korean brands spanning fashion, beauty, and lifestyle—most entering the local market for the first time alongside a dance studio. Together with the newly opened FunVille food village, the B1 level was repositioned as a vibrant, youth-oriented destination. The addition of sports amenities, including a climbing playground and a basketball court, further enriched the mall's lifestyle proposition. Footfall increased and occupancy rose four points to 92% at period end.

Opened on April 28, 2026, **Westlake 66** in Hangzhou, Hang Lung's 11th Chinese Mainland project, is emerging as a new landmark for commerce, culture, and community, delivering thoughtfully curated lifestyle experiences for a new generation of consumers. Benefiting from its prime location, the mall features a highly curated retail offering spanning 105,900 square meters with approximately one-third of tenants representing first-to-market brands. Tenant openings will continue in phases, with occupancy and tenant sales expected to increase progressively throughout 2026. To date, the mall has welcomed over 3 million visitors. Average daily footfall reached 120,000 during the Golden Week of May, while weekend traffic has remained robust. The mall recorded a revenue of RMB37 million during the reporting period, and occupancy reached 89% at period end.

Revenue and tenant sales at the **Forum 66** mall in Shenyang decreased 15% and 5%, respectively, while occupancy improved two points to 88% at period end. A strategic repositioning is underway to strengthen the mall's lifestyle and food-and-beverage mix, aiming to boost traffic and elevate the shopping experience.

- *Offices*

Total office revenue dropped 11% to RMB566 million for the six months ended June 30, 2026, primarily reflecting lower occupancy and negative rental reversions. Leasing demand was mostly driven by tenants from the technology, finance, and consumer sectors seeking quality space in core districts. Notwithstanding this activity, market conditions remained challenging, with persistent oversupply, high vacancy levels, and continued rental pressure across cities. Amid this environment, management continued to maintain high service standards and preserve asset quality.

Property Leasing – Chinese Mainland Office Portfolio for the Six Months Ended June 30

	Revenue (RMB Million)			Period-end Occupancy Rate		
Name of Office and City	**2026**	2025	Change	**June 2026**	December 2025	June 2025
Plaza 66, Shanghai	**240**	289	-17%	**83%**	82%	82%
Grand Gateway 66, Shanghai	**102**	110	-7%	**85%**	89%	87%
Spring City 66, Kunming	**64**	67	-4%	**90%**	86%	84%
Forum 66, Shenyang	**56**	60	-7%	**85%**	86%	89%
Center 66, Wuxi	**52**	60	-13%	**78%**	78%	83%
Heartland 66, Wuhan	**46**	52	-12%	**72%**	65%	63%
Westlake 66, Hangzhou	**6**	–	N/A	**^47%**	N/A	N/A
Total	**566**	638	-11%			

^ Refers to the occupancy rate of two out of five office towers which were completed and delivered to tenants.

Revenue from our two Grade A office towers at **Plaza 66** in Shanghai receded 17%, mainly due to lower unit rents amid persistent market weakness and excess supply. Despite continued pressure on both rents and occupancy in Shanghai's Grade A office sector, occupancy increased by one point to 83% at the end of the period. In a competitive operating environment, we continued to capitalize on our prime location and operational strengths to maintain Plaza 66's position as a premier office destination in Shanghai.

Revenue of the office tower at **Grand Gateway 66** in Shanghai declined 7%, with occupancy rate dropping two points to 85% due to negative rental reversions against a backdrop of subdued market sentiment and rising vacancy rates.

The office tower at **Spring City 66** in Kunming recorded a 4% fall in revenue. We sustained our market-leading position by capitalizing on our prime location, offering modular offices with high-standard fit-outs and furnishings, and delivering premium facilities and services. With these efforts, occupancy improved six points to 90% at period end.

Reflecting weak demand and new office supply, revenue of the office tower at **Forum 66** in Shenyang declined 7%, with occupancy rate dropped four points to 85% at period end. Amid ongoing market headwinds, we continued to focus on strengthening tenant engagement while maintaining our rigorous standards of property management.

Revenue and occupancy of our two office towers at **Center 66** in Wuxi decreased 13% and five points to 78% at the end of the period, respectively. In a highly competitive market, we continued to reinforce our position as a leading office destination in Wuxi, supported by our exclusive services, flexible multifunctional workspace (HANGOUT), and the forthcoming hospitality expansion with the opening of Xi Zhe Wuxi, Curio Collection by Hilton.

The office tower at **Heartland 66** in Wuhan recorded a decline in revenue of 12%, primarily due to negative rental reversions and reduced average occupancy in a crowded market environment. Following the commencement of a new lease with an anchor tenant starting in mid-June, occupancy rose nine points to 72% at period end. Our flexible multifunctional workspace, HANGOUT, will continue to deliver flexible layouts that support tenants' evolving business needs while enhancing collaboration.

Westlake 66 in Hangzhou comprises five office towers, Tower E is fully occupied at period end, while Tower B began phased occupancy in March 2026. During the period, the two office towers generated RMB6 million revenue and achieved occupancy of 47% at period end.

- *Residential & Serviced Apartments*

Revenue from the residential towers at Grand Gateway 66 in Shanghai receded 6% during the reporting period but recorded two-point increase in occupancy.

Hong Kong

In the first half of 2026, Hong Kong's retail sector showed early signs of stabilization, supported by improving consumer sentiment and a pick-up in visitor arrivals. The office market also exhibited indications of bottoming out, with demand concentrated in core business districts, while non-core locations remained challenged.

Overall revenue slightly dropped 1% to HK$1,541 million and operating profits receded 2% to HK$1,189 million. Nevertheless, diversified leasing strategies and ongoing tenant mix optimization supported a consistently high occupancy level. The rental margin declined one point to 77%.

Property Leasing – Hong Kong Portfolio for the Six Months Ended June 30

	Revenue (HK$ Million)			Period-end Occupancy Rate		
	2026	2025	Change	**June 2026**	December 2025	June 2025
Retail	**864**	884	-2%	**95%**	95%	93%
Offices and Industrial/Office	**557**	553	1%	**91%**	90%	88%
Residential & Serviced Apartments	**120**	112	7%	**91%**	91%	82%
Total	**1,541**	1,549	-1%			

- *Retail*

Our Hong Kong retail portfolio recorded a decline in revenue of 2% to HK$864 million, primarily driven by the transitional impact of trade reshuffling in the Central Business and Tourist District Portfolio. Tenant sales increased 3% and the overall occupancy increased two points to 95%.

Revenue of our **Central Business and Tourist District Portfolio** declined 5% year-on-year, mainly due to the expiry of certain anchor tenant leases in Causeway Bay and renovation works undertaken by incoming tenants in part of the vacated space during the period. Occupancy fell to 89% at period end. To support the transformation of Paterson Street and commemorate Hang Lung's 66th anniversary, Fashion Walk introduced "Paterson Vibe" in May, featuring cross-platform urban cultural experiences and limited-time activations combining fashion, art, music, and style. The initiative drove higher footfall among local consumers, tourists, and lifestyle audiences, while enhancing tenant collaboration and synergy, reinforcing Paterson Street's market positioning as a leading urban subculture and lifestyle destination.

Overall revenue of our **Community Mall Portfolio** remained stable year-on-year, with a slight moderation in northbound spending by local residents. Occupancy grew to 98% at the end of the period. The new pedestrian bridge connecting Amoy Plaza in Kowloon Bay with East Kowloon Cultural Centre commenced full operation in July 2026. Linking the East Kowloon Cultural Centre to the MTR station, the bridge strengthened the accessibility and is expected to drive incremental footfall and support trading performance at Amoy Plaza.

- *Offices and Industrial/Office*

Revenue increased 1% to HK$557 million, attributable to proactive measures, including the introduction of fitted office space and the subdivision of premises to cater to evolving tenant needs. Occupancy remained at a relatively high level of 91% at period end.

Revenue of our **Hong Kong Island Portfolio** rose 3%, with occupancy climbing five points to 88%. NET•WORK, our dynamic and flexible office platform strategically located within Central's iconic Standard Chartered Bank Building, achieved an occupancy rate of 80% at period end, marking a notable increase of 16 points year-on-year.

Our **Kowloon Portfolio** recorded a 3% decline in revenue, reflecting negative rental reversions amid continued cost discipline by semi-retail tenants and ongoing rental adjustments, while occupancy rose two points to 93%.

- *Residential & Serviced Apartments*

Our residential and serviced apartments segment delivered a 7% increase in revenue, underpinned by the talent admission scheme introduced by the Hong Kong government, a growing customer base, and the provision of flexible terms for serviced apartments.

HOTELS

Benefiting from expanded visa-free policies and recovering flight capacity, hotel operations saw demand from inbound premium leisure and international visitors. Despite higher fuel costs stemming from geopolitical tensions in the Middle East, travel demand remained resilient, while hotel performance stayed solid.

(for the six months ended June 30)	**Revenue** (RMB Million)			**Average Occupancy Rate**	
	2026	2025	Change	**2026**	2025
Grand Hyatt Kunming	**68**	57	19%	**72%**	59%
Conrad Shenyang	**61**	62	-2%	**72%**	70%
Total	**129**	119	8%		
Total in HK$ Million equivalent	***147***	*129*	*14%*		

With positive momentum sustained in the first half of 2026, revenue of **Grand Hyatt Kunming** climbed 19%, driven by increases in both occupancy and average daily rate.

Conrad Shenyang reported 2% drop in revenue year-on-year. Occupancy grew two points, supported by domestic travel demand, while a reduction in food and beverage revenue offset the effect of higher occupancy.

PROPERTY SALES

In the first half of 2026, revenue of HK$1,043 million (2025: HK$161 million) was recognized for the sale of 83 residential units at The Aperture and one house at Blue Pool Road in Hong Kong, two units at Heartland Residences in Wuhan, and two units at Grand Hyatt Residences Kunming.

Due to challenging market conditions in the Chinese Mainland, a non-cash inventory provision of RMB108 million (or HK$124 million) was recognized during the reporting period.

With gross losses from property sales in the Chinese Mainland and Hong Kong, together with related selling and marketing expenses, a non-cash inventory provision and other operating expenditures, an operating loss from property sales of HK$187 million was recorded in the first half of 2026.

As of June 30, 2026, the contracted property sales yet to be recognized amounted to HK$1,317 million, comprising the sale of 22 residential units at The Aperture and one house at Blue Pool Road in Hong Kong, and 74 units at Center Residences in Wuxi. Revenue from all contracted units will be recognized upon completion of each respective sale.

DISPOSAL OF INVESTMENT PROPERTIES

During the reporting period, the following properties were disposed of for an aggregate consideration of HK$271 million.

a) In January 2026, we completed the disposal of a subsidiary holding one house at Blue Pool Road in Hong Kong to an independent third party. As the sale and purchase agreement had already been signed in November 2025, the property was valued with reference to the agreed selling price at December 31, 2025; therefore, no gain or loss on disposal was recognized during the reporting period; and

b) In June 2026, we completed the disposal of one unit at Summit at The Peak on Hong Kong Island to an independent third party and recognized a gain on disposal of HK$8 million in Other Net Income during the reporting period.

Also in June 2026, we entered into sale and purchase agreements with independent third parties for the disposal of two units at Summit and four car parking spaces at AquaMarine in Hong Kong. These transactions are expected to complete in the second half of 2026.

PROPERTY REVALUATION

As of June 30, 2026, the total value of our investment properties and those under development amounted to HK$208,349 million, including the Chinese Mainland portfolio of HK$144,504 million and the Hong Kong portfolio of HK$63,845 million. These properties were appraised by Savills Valuation and Professional Services Limited, an independent valuer, as of June 30, 2026.

A revaluation loss of HK$567 million was recorded (2025: loss of HK$269 million).

The Chinese Mainland portfolio recorded a revaluation loss of HK$463 million (2025: loss of HK$93 million), representing less than 1% of the portfolio value as of December 31, 2025.

The Hong Kong portfolio had a revaluation loss of HK$104 million (2025: loss of HK$176 million), representing less than 1% of the portfolio value as of December 31, 2025.

A net revaluation loss after tax and non-controlling interests of HK$377 million was reported (2025: net revaluation loss of HK$494 million).

PROPERTY DEVELOPMENT

The aggregated values of our subsidiaries' projects under development for leasing and sales as of June 30, 2026 were HK$7,636 million and HK$8,073 million, respectively. The projects under development held by subsidiaries and joint ventures are located in Wuxi, Hangzhou, Shanghai, Shenyang and Hong Kong.

Chinese Mainland

Center Residences in Wuxi and **Xi Zhe Wuxi, Curio Collection by Hilton** form the Phase Two development of Center 66. The residences, currently available for sale, are scheduled for completion and handover in phases starting in the fourth quarter of 2026. The lifestyle hotel, featuring 105 rooms across a seven-story new-build tower and a three-story heritage building, will commence operation in the third quarter of 2026.

Westlake 66 in Hangzhou is a mixed-use development comprising a retail podium, five Grade A office towers, and the first Mandarin Oriental in Zhejiang Province, **Mandarin Oriental Hangzhou**. The project also features an in-mall exhibition hall of Song and Yuan dynasty relics, two historic buildings, and "The Oasis"—a landscaped area of over 10,000 square meters linking the office towers, shopping mall, and hotel through an elevated, open-air corridor. Office Tower E is fully occupied, while Tower B began phased occupancy in March 2026. The mall opened on April 28, 2026, while the 194-key luxury hotel is scheduled to open in the first quarter of 2027.

The **Westlake 66 Expansion Project** aims to strengthen the Westlake 66 mall's competitive edge by enhancing its scale, street frontage, accessibility, and visibility. In July 2025, we entered into a lease agreement with the landlord of Hangzhou Department Store, located at 546 Yan'an Road in Hangzhou, adjacent to Westlake 66. The 20-year lease will commence on April 1, 2028. Upon completion of renovation works and phased openings from 2029 onward, the aggregate retail area of the Westlake 66 complex will increase by nearly 40% to 150,000 square meters.

As part of the ongoing enhancement efforts in Jing'an District, Shanghai, we have initiated the **Plaza 66 Pavilion Extension**. The project, which is expected to strengthen the mall's presence in the city and create a more compelling customer experience, will add around 4,300 square meters of leasable space, including above-ground and basement levels, through a three-story standalone retail and dining podium with a basement connection to Plaza 66. The operation permit was obtained in June 2026 and tenant handover commenced progressively thereafter. The project is targeted to open in the second half of 2026.

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

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

Joint Ventures in the Chinese Mainland

On December 9, 2025, we entered into a partnership with Wuxi Liangxi City Development Group Co., Ltd. (無錫市梁溪城市發展集團有限公司) — a state-owned enterprise under the Liangxi District government in Wuxi — to obtain a 20-year operating lease for a landmark commercial redevelopment project adjacent to Center 66 (the "**Center 66 Expansion Project**"). A joint venture company, in which the Group holds a 60% equity interest, was established in January 2026. The property, formerly known as the Wuxi New World Department Store, is located at 319-339, 341 Zhongshan Road, Wuxi. The redevelopment will increase the total retail area of the Center 66 complex by 38% to approximately 169,000 square meters. Featuring experiential retail concepts, enhanced community engagement, and seamless integration with Center 66, the upgraded complex will introduce more than 80 curated brands across dining, fashion, and lifestyle categories. The development scheme is currently in the planning stage.

On December 12, 2025, we successfully secured the **No. 1038 West Nanjing Road Commercial Project** — formerly Westgate Mall — through a partnership with Shanghai Xinnanxi (Group) Co., Ltd. (上海新南西(集團)有限公司) (formerly known as Shanghai Join Buy Group Co., Ltd. (上海九百(集團)有限公司)) and Shanghai Join Buy Co., Ltd. (上海九百股份有限公司), both of which are state-owned enterprises under the Jing'an District government in Shanghai. A joint venture company, in which the Group holds a 60% equity interest, was established in July 2026. The 20-year lease project will add approximately 96,000 square meters to Hang Lung's portfolio on West Nanjing Road, representing a 44% increase in the total gross floor area to approximately 312,000 square meters. The property will be transformed into a dynamic mixed-use complex featuring integrated retail, hospitality, and office spaces. The strategic initiative will significantly enhance the scale and synergy of our Shanghai portfolio, foster a vibrant local community, enrich the cultural atmosphere, and strengthen West Nanjing Road's position as a premier lifestyle destination in the Chinese Mainland.

Hong Kong

The land site at 37 Shouson Hill Road in the Southern District of Hong Kong Island will be redeveloped into luxury houses. The site formation plan was approved in September 2025, and following the lease modification and land premium agreed with the government in July 2026, the project will be better positioned to offer a broader mix of layouts to meet the diverse needs of the ultra-luxury residential market.

The redevelopment project at 8-12A Wilson Road in Jardine's Lookout on Hong Kong Island, with an expected gross floor area of approximately 25,800 square feet, will consist of detached luxury houses with spacious gardens overlooking the eastern Mid-Levels and the Central skyline. The development scheme was approved by the government in May 2025 and demolition work was completed in March 2026.

FINANCING MANAGEMENT

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

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

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

- *Cash Management*

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

	At June 30, 2026		At December 31, 2025	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Denominated in:				
HKD	**2,949**	*42%*	3,811	*56%*
RMB	**4,080**	*58%*	2,980	*44%*
USD	**1**	–	1	–
Total cash and bank balances	**7,030**	*100%*	6,792	*100%*

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

- *Debt Portfolio*

At the balance sheet date, total borrowings amounted to HK$55,619 million (December 31, 2025: HK$54,837 million), of which 48% was denominated in RMB, which acts as a natural hedge to net investments in the Chinese Mainland.

Our fixed-rate borrowings primarily consist of bonds, fixed-rate bank loans, and floating-rate bank loans converted into fixed-rate loans through interest rate swaps. Fixed-rate borrowings accounted for 39% of total borrowings as of June 30, 2026. After excluding the onshore floating-rate debts, the fixed-rate borrowings would comprise 57% of total offshore borrowings as of June 30, 2026 (December 31, 2025: 59%).

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

(i) by currency (after currency swap):

	At June 30, 2026		At December 31, 2025	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Denominated in:				
HKD	**29,198**	*52%*	29,598	*54%*
RMB	**26,421**	*48%*	25,239	*46%*
Total borrowings	**55,619**	*100%*	54,837	*100%*

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

	At June 30, 2026		At December 31, 2025	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Fixed	**21,618**	*39%*	22,418	*41%*
Floating	**34,001**	*61%*	32,419	*59%*
Total borrowings	**55,619**	*100%*	54,837	*100%*

- *Gearing Ratios*

At the balance sheet date, the net debt balance amounted to HK$48,589 million (December 31, 2025: HK$48,045 million). The net debt to equity ratio was 30.5% (December 31, 2025: 30.9%), and the debt to equity ratio was 34.9% (December 31, 2025: 35.3%).

- *Maturity Profile and Refinancing*

At the balance sheet date, the average tenure of our debt portfolio was maintained at 3.0 years (December 31, 2025: 2.9 years). The maturity profile staggered over more than 10 years. Around 69% of our outstanding debts would be repayable after two years (December 31, 2025: 60%).

	At June 30, 2026		At December 31, 2025	
	HK$ Million	*% of Total*	HK$ Million	*% of Total*
Repayable:				
Within 1 year	**5,714**	*10%*	4,913	*9%*
After 1 but within 2 years	**11,462**	*21%*	16,868	*31%*
After 2 but within 5 years	**34,659**	*62%*	29,250	*53%*
Over 5 years	**3,784**	*7%*	3,806	*7%*
Total borrowings	**55,619**	*100%*	54,837	*100%*

As of June 30, 2026, the total undrawn committed banking facilities amounted to HK$18,501 million (December 31, 2025: HK$22,739 million). The available balances of the US$4 billion (December 31, 2025: US$4 billion) medium-term note program amounted to US$2,977 million, equivalent to HK$23,342 million (December 31, 2025: HK$21,731 million).

- *Net Finance Costs and Interest Cover*

For the period ended June 30, 2026, gross finance costs further decreased 3% to HK$968 million (2025: HK$1,002 million), while the average effective cost of borrowing fell to 3.7% (2025: 3.9%). This was mainly driven by the lower borrowing costs of facilities obtained in the market, alongside an increased proportion of lower-cost RMB-denominated (CNH/CNY) borrowings, which offset and outweighed the higher interest from the increase in borrowings deployed for capital expenditure.

The net amount charged to the statement of profit or loss (after excluding capitalized amounts) increased 13% to HK$578 million (2025: HK$511 million), as certain Chinese Mainland projects ceased capitalizing interests upon completion, outweighing the lower borrowing costs.

Interest cover for the six months of 2026 improved to 3.3 times (2025: 3.2 times).

- *Foreign Exchange Management*

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

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

As of June 30, 2026, net assets denominated in RMB accounted for approximately 69% of our total net assets. The RMB appreciated against the HKD by 4.0% compared with December 31, 2025. The translation of these net assets from RMB into HKD at the exchange rate as of the reporting date resulted in a translation gain of HK$4,311 million (2025: gain of HK$1,529 million), recognized in other comprehensive income.

CHARGE OF ASSETS

None of the Group's assets was charged to third parties as of June 30, 2026, and December 31, 2025.

CAPITAL COMMITMENTS

As of June 30, 2026, our capital commitments in respect of investment properties and property, plant and equipment amounted to HK$4,409 million (December 31, 2025: HK$7,223 million).

The capital commitments in relation to capital injection to new joint ventures projects were RMB768 million (or HK$884 million) (December 31, 2025: RMB790 million (or HK$875 million)).

In relation to the Westlake 66 Expansion Project, subject to the fulfillment of certain conditions of the lease, the estimated total fixed lease payments for the 20-year lease with effect from April 1, 2028, will amount to approximately RMB3.2 billion (or HK$3.7 billion) (December 31, 2025: RMB3.2 billion (or HK$3.5 billion)).

CONTINGENT LIABILITIES

As of June 30, 2026, an amount of RMB211 million (or HK$243 million) (December 31, 2025: RMB120 million (or HK$132 million)) was given to banks with respect to mortgage loans procured by the buyers of property units in Center Residences, Wuxi. Such guarantees will be released by banks upon the issuance of real estate ownership certificates to the buyers and upon completion of the registration of the relevant mortgage properties.

SUSTAINABILITY

In the first half of 2026, we refreshed our 2030 Sustainability Goals and Targets across four priorities: Climate Resilience, Resource Management, Wellbeing, and Sustainable Transactions. We remain committed to reducing emissions and achieving net zero by 2050, in line with the Science Based Targets initiative (SBTi) Buildings Criteria.

Integrating sustainability, heritage, and community at Westlake 66

On April 28, 2026, Hang Lung celebrated the opening of Westlake 66, a 390,200-square-meter mixed-use development in Hangzhou. The project reflects our commitment to placemaking through the thoughtful integration of commercial, cultural, historical, and natural elements. "The Oasis," a 10,000+ square-meter landscaped urban sanctuary, connects the office towers, retail spaces, and hotel through an elevated open-air corridor, enhancing connectivity and wellbeing. Westlake 66 also celebrates and preserves Hangzhou's cultural heritage by showcasing relics from the Song and Yuan dynasties in a dedicated exhibition space. Two historic buildings at 5 Yesutang Lane and 1 Jingqingli have also been carefully restored and will open later this year, creating a meaningful link between the city's past and present.

The project also demonstrates Hang Lung's leadership in sustainable development through the adoption of innovative low-carbon emissions materials. It is the first commercial development in the Chinese Mainland and Hong Kong to utilize low-carbon concrete bricks. In addition, low-carbon emissions steel was used for more than 80% of the reinforcing bars in a key connecting tunnel, reducing embodied carbon emissions by approximately 45% compared with conventional materials.

Westlake 66 has secured multiple certifications and pre-certifications under leading sustainability standards, including China Green Building Design Label, WELL, LEED, and BREEAM, reflecting a comprehensive approach to environmental performance, occupant wellbeing, and long-term resilience.

10 Chinese Mainland properties are now powered by renewable electricity

Hang Lung is a leader in renewable energy procurement through power purchase agreements (PPAs) in the Chinese Mainland. We received the "Best Newcomer" award at the RE100 Leadership Awards in 2025, organized by the Climate Group, and were the only real estate company featured as a case study in RE100's China Guidebook, published in May 2026. On January 1, Heartland 66 became the first commercial complex in Hubei Province to be powered by renewable electricity, while Westlake 66 became Zhejiang Province's first commercial property to be powered by renewable electricity in May. In total, 10 of Hang Lung's 11 Chinese Mainland properties now procure renewable electricity through PPAs, delivering value to both Hang Lung and our tenants.

Driving cooling decarbonization through lifecycle refrigerant management

Hang Lung, in collaboration with LVMH Group, co-sponsored a research paper published by the Carbon Containment Lab in January 2026, titled *Bending the Curve: Cost-effective cooling emission reduction pathways for commercial real estate in China and the U.S.* The report highlights practical, no-regret measures to reduce emissions from air conditioning and refrigeration. Building on these insights, we held workshops in the Chinese Mainland in June for internal and external stakeholders to exchange insights, identify implementation opportunities, and foster collaboration to address cooling-related emissions across our portfolio.

Celebrating sustainability achievements with tenants

Hang Lung continued to strengthen tenant engagement through the Changemakers: Tenant Partnerships on Sustainability Program ("Changemakers Program"), which brings together office, retail, and hospitality tenants to reduce energy use and waste, promote circularity, and enhance community wellbeing. The program supports tenant capacity-building through initiatives such as training workshops and energy audits across our portfolio, as well as food waste management advisory services for food and beverage tenants in Hong Kong.

In the first half of 2026, more than 220 tenants partnered with Hang Lung on sustainability initiatives at 20 properties in Hong Kong and the Chinese Mainland, representing a diverse mix of sectors, including office, retail, and hospitality. These partnerships cover approximately 24% of the leased floor area at participating properties.

In June, we hosted the Changemakers Tenant Sustainability Awards in Shenyang, Shanghai, and Hong Kong to recognize tenants' sustainability achievements and inspire broader adoption of best practices. The ceremonies included award presentations to acknowledge tenants' efforts, as well as practical knowledge-sharing sessions. The Hong Kong and Shanghai events also featured gala events with interactive experiences for participants.

Refreshed community investment strategy

Hang Lung continues to strengthen its community investment strategy through the theme "Connected Futures", creating sustainable value through meaningful connections. The Company is rolling out programs across Hong Kong and nine Chinese Mainland cities, expanding reach and deepening engagement.

Guided by our long-held vision to create compelling spaces that enrich lives, we focus on three pillars: Cultural Connections (promoting identity and creativity across generations), Vibrant Wellbeing (supporting physical, mental, and community health), and Inspiring Youth, (empowering young people to realize their potential).

- **Cultural Connections:** Hang Lung supported the inaugural Hong Kong Comic Con, where 40 emerging artists engaged with global and local creators, facilitating industry exposure and creative collaboration.

- **Vibrant Wellbeing:** In partnership with Hong Kong Christian Service, Hang Lung expanded our dementia support program by introducing mall-based Carer Cafés and community testing initiatives, serving over 2,500 individuals.

- **Inspiring Youth:** Through the "Well Being · Start-Up 2.0" initiative, two participating entrepreneurs renewed leases within our malls, indicating progress toward sustained, community-rooted business operations.

We continue to enhance our approach to social impact measurement by tracking both reach and outcomes, improving accountability and refining our programs. We aim to create at least HK$40 million in social value by 2030, reinforcing our commitment to delivering measurable, long-term community impact.

OUTLOOK

Ongoing conflicts in the Middle East and geopolitical uncertainties are expected to weigh on business environment in the second half of 2026. Cash flow visibility, disciplined operational execution, and stable recurring rental income remain increasingly essential.

In the Chinese Mainland, economic growth is anticipated to be moderate, underpinned by policy support to reinforce domestic demand and consumption. The retail leasing market is expected to remain competitive as consumer spending stays selective and value-conscious, with stronger demand for experience-led, lifestyle-oriented and emotionally engaging offerings. To capture these trends, we will further optimize our tenant mix and implement targeted marketing and placemaking initiatives to enhance footfall and sales conversions across our portfolio.

Opened on April 28, 2026, Westlake 66 is set to contribute progressively to recurring income as operations scale up. In the second half of the year, a number of high-quality tenants are due to complete fit-outs and commence operations, complemented by targeted CRM initiatives to enhance customer loyalty and engagement. The office towers have also been delivered in phases, aligned with tenant absorption and operational ramp-up, allowing the asset to come on stream in a measured manner. The forthcoming opening of the Plaza 66 Pavilion Extension in Shanghai will further strengthen the retail and dining mix of this flagship asset, reinforcing its status and competitiveness on West Nanjing Road. Marking its silver jubilee this year, Plaza 66 continues to enhance its luxury appeal, supported by ongoing improvement works to its rooftop and VIC lounge. In Wuxi, the opening of Xi Zhe Wuxi, Curio Collection by Hilton in the third quarter of 2026 is expected to generate integrated benefits with Center 66 and further elevate the project's premium positioning.

In Hong Kong, retail performance is projected to strengthen over time, supported by rising visitor arrivals, high-profile mega events, a more experience-oriented tenant mix, and stabilizing consumer sentiment. Notwithstanding this, inflationary pressures driven by oil price volatility may temper sentiment and introduce uncertainties to the recovery trajectory. Amid ample supply and cautious demand, office leasing is likely to remain competitive, although enhanced liquidity for larger office assets may help moderate rental reversions.

Our property sales strategy will continue to emphasize disciplined pricing, phased launches, and premium product quality across the Chinese Mainland and Hong Kong, while staying attuned to policy changes and buyer sentiment. The Hong Kong property market is recovering steadily, with our premium products continuing to attract strong interest from discerning buyers.

Marking our 66th anniversary under the theme "66 and beyond," we reaffirm our commitment to sustainable growth through our V.3 strategy and customer-centric development, creating distinctive spaces where commerce, culture, and lifestyle converge, and delivering lasting value for the communities we serve.

CORPORATE GOVERNANCE

We are committed to maintaining the highest standards of corporate governance. During the six months ended June 30, 2026, we adopted corporate governance principles that emphasize a qualified Board, sound internal controls, and effective risk management to enhance transparency and accountability towards our stakeholders. The general framework of our corporate governance practices is set out in our corporate governance report in the 2025 annual report, which is available on our website under “Financial Report” in the “Financial Information” subsection of the “Investor” section.

The Board

As at the date of this report, July 31, 2026, the Board comprised three Executive Directors, three Non-Executive Directors, and four Independent Non-Executive Directors. The Independent Non-Executive Directors accounts for approximately 40% of the Board, exceeding the requirement of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). An updated list of Board members with their roles and functions is maintained on both our website and the website of Hong Kong Exchanges and Clearing Limited (“HKEX”). The biographical details of the Board members are also available on our website under “Our Management” of the “Corporate Governance” section. There is a clear division of responsibilities between the Chair and the Chief Executive Officer to ensure a balance of power and authority. The Board generally meets six times a year and continues to review its practices from time to time, constantly seeking to improve the corporate governance procedures of the Company and its subsidiaries (the “Group”) in accordance with international best practices.

Nomination and Remuneration Committee

As at the date of this report, July 31, 2026, our Nomination and Remuneration Committee comprised a majority of Independent Non-Executive Directors, with one director of a different gender. It is chaired by an Independent Non-Executive Director. The Committee members meet at least once a year. Its duties include reviewing significant changes to the salary structure within the Group and the terms and conditions affecting Executive Directors and senior management. The Committee members also conduct regular reviews of the Board’s structure, size and diversity, and make recommendations to the Board on the appointment, re-appointment and succession planning of Directors. The terms of reference of the Committee are available on both our website under “Nomination & Remuneration Committee” of the “Corporate Governance” section, and the website of HKEX.

Audit Committee

As at the date of this report, July 31, 2026, our Audit Committee, which is chaired by an Independent Non-Executive Director, comprised three Independent Non-Executive Directors and one Non-Executive Director. The Committee members meet at least four times a year. Meetings are attended by external and internal auditors, the Chair, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary for the purposes of, *inter alia*, discussing the nature and scope of internal audit work and assessing the Company's internal controls. The terms of reference of the Committee, which include duties pertaining to corporate governance functions and the oversight of risk management, are available on both our website under "Audit Committee" of the "Corporate Governance" section, and the website of HKEX.

This unaudited interim financial report was reviewed by KPMG, our auditor, in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. The Independent Auditor's Review Report is set out on page 32 of this report. The Audit Committee has reviewed this report, including the unaudited interim financial report for the six months ended June 30, 2026, and has recommended their adoption by the Board.

Compliance with Corporate Governance Code contained in Appendix C1 to the Listing Rules

During the six months ended June 30, 2026, the Company complied with the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules, and in certain areas exceeded them.

Compliance with Model Code contained in Appendix C3 to the Listing Rules

We have adopted a code of conduct with regard to securities transactions by Directors (the "Code of Conduct") on terms that are no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "Model Code"). All Directors confirmed, upon specific enquiries made by the Company, that they have complied with the Model Code and the Code of Conduct throughout the six months ended June 30, 2026.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2026, the interests or short positions of each Director in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code or which were recorded in the register required to be kept by the Company under section 352 of the SFO were as follows:

		The Company (Long Positions)		**Hang Lung Properties Limited (Long Positions)**		
Name	**Capacity**	**Number of Shares**	**% of Total Number of Issued Shares**	**Number of Shares**	**% of Total Number of Issued Shares**	**Number of Share Options** *(Note 3)*
Adriel Chan	Personal & Other	551,752,580 *(Notes 1 & 2)*	40.52	3,464,877,216 *(Note 2)*	66.59	15,050,000
Weber W.P. Lo	Personal	460,000	0.03	1,145,385	0.02	25,750,000
Gerald L. Chan	–	–	–	–	–	–
Simon S.O. Ip	–	–	–	–	–	–
P.W. Liu	Personal & Family	–	–	100,000	–	–
Martin C.K. Liao	–	–	–	–	–	–
George K.K. Chang	–	–	–	–	–	–
Roy Y.C. Chen	–	–	–	–	–	–
May S.B. Tan	Personal	300,000	0.02	–	–	–
Kenneth K.K. Chiu	Personal	–	–	–	–	6,800,000

Notes:

1. Other interests included 28,579,500 shares of the Company held by a trust of which Mr. Adriel Chan was a settlor and a discretionary beneficiary. Accordingly, Mr. Adriel Chan was deemed to be interested in such shares under the SFO.

2. Other interests included 522,423,080 shares of the Company and 3,464,142,255 shares of Hang Lung Properties Limited ("HLP") held or deemed to be held by another trust of which Mr. Adriel Chan was a discretionary beneficiary. Accordingly, Mr. Adriel Chan was deemed to be interested in such shares under the SFO. Mr. Adriel Chan was also personally interested in 750,000 shares of the Company and 734,961 shares of HLP.

3. Movements of Directors' share options under the share option scheme of HLP adopted on April 18, 2012 (the "2012 Share Option Scheme") and another share option scheme of HLP adopted on April 27, 2022 (the "2022 Share Option Scheme") are set out under the section below headed under "Share Option Schemes".

4. Shareholding percentages were calculated based on the total number of issued shares of the Company as at June 30, 2026, being 1,361,618,242 shares and the total number of issued shares of HLP as at June 30, 2026, being 5,203,082,528 shares.

Save as disclosed above, as at June 30, 2026, none of the Directors had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO).

Other than as stated above, at no time during the six months ended June 30, 2026 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEMES

The purposes of the 2012 Share Option Scheme and the 2022 Share Option Scheme (together, the "Share Option Schemes") are to enable HLP, the Company's subsidiary, to grant options to selected participants as rewards or incentives for their contributions to HLP and its subsidiaries (the "HLP Group"), to attract skilled and experienced personnel, to incentivize them to remain with the HLP Group and to motivate them to strive for the future development and expansion of the HLP Group by providing them with the opportunity to acquire equity interest in HLP.

Under the Share Option Schemes, the board of directors of HLP is authorized to grant options to selected participants, including employees and directors of any company in the HLP Group, subject to the terms and conditions as the board of directors of HLP may specify on a case-by-case basis or generally. The Share Option Schemes do not provide for any minimum vesting period. The vesting period, the period open for acceptance of the option and the amount payable thereon, the exercisable period and the number of HLP shares subject to each option under the Share Option Schemes are determined by the board of directors of HLP at the time of grant. The exercise price of the options is determined by the board of directors of HLP at the time of grant, and shall not be less than the higher of the nominal value of HLP shares, the closing price of HLP shares at the date of grant and the average closing price of HLP shares for the five business days immediately preceding the date of grant.

Pursuant to the resolutions passed by the shareholders of the Company and HLP at their respective annual general meetings held on April 27, 2022, the 2022 Share Option Scheme was adopted and became effective on the same date for a period of 10 years. The 2022 Share Option Scheme has a remaining life of approximately five years and nine months and will expire on April 26, 2032. Upon the adoption of the 2022 Share Option Scheme, the 2012 Share Option Scheme was terminated upon its expiry.

As at January 1, 2026, no further share option shall be granted under the 2012 Share Option Scheme and the total number of share options available for grant under the 2022 Share Option Scheme was 276,275,550.

During the six months ended June 30, 2026, no share option was granted under the 2022 Share Option Scheme. As at June 30, 2026, the total number of share options available for grant under the 2022 Share Option Scheme was 276,275,550.

As at the date of this report, July 31, 2026, the total number of HLP shares available for issue in respect of the share options granted under the 2012 Share Option Scheme and the 2022 Share Option Scheme were 156,528,500 and 48,893,000, respectively, representing approximately 3.0% and 0.9% of the total number of issued shares of HLP. As at the date of this report, July 31, 2026, the total number of HLP shares available for issue in respect of which options may be granted under the 2022 Share Option Scheme was 276,275,550, representing approximately 5.3% of the total number of issued shares of HLP.

The total number of HLP shares issued and to be issued upon exercise of options (including both exercised and outstanding) granted to each participant under the 2012 Share Option Scheme and the 2022 Share Option Scheme in any 12-month period shall not exceed 1% of HLP shares in issue.

As no share option was granted during the six months ended June 30, 2026, the number of HLP shares that may be issued in respect of options granted under the Share Option Schemes during the six months ended June 30, 2026 divided by the weighted average number of HLP ordinary shares in issue for the six months ended June 30, 2026 is 0.

Movements of the share options under the 2012 Share Option Scheme during the six months ended June 30, 2026 (the "Period") were set out below:

		Number of Share Options								
Date of Grant	**Category of Participants** *(Note 1)*	**Outstanding as at Jan 1, 2026**	**Granted during the Period**	**Exercised during the Period**	**Lapsed/ Forfeited during the Period**	**Outstanding as at Jun 30, 2026**	**Exercise Price per Share HK$**	**Closing Price Per Share on the Date of Grant HK$**	**Vesting Dates** *(Note 2)*	**Expiry Date** *(Note 2)*
Aug 10, 2017	*Honorary Chair:*						19.98	19.86	Aug 10, 2019: 10%	Aug 9, 2027
	Ronnie C. Chan	1,925,000	–	–	–	1,925,000			Aug 10, 2020: 20%	
	(Note 3)								Aug 10, 2021: 30%	
									Aug 10, 2022: 40%	
	Director:									
	Adriel Chan	1,850,000	–	–	–	1,850,000				
	Director of HLP	2,500,000	–	–	–	2,500,000				
	Employees	16,881,000	–	–	(620,000)	16,261,000				
		23,156,000	**–**	**–**	**(620,000)**	**22,536,000**				
May 16, 2018	*Director:*						18.98	18.98	May 16, 2020: 10%	May 15, 2028
	Weber W.P. Lo	10,000,000	–	–	–	10,000,000			May 16, 2021: 20%	
		10,000,000	**–**	**–**	**–**	**10,000,000**			May 16, 2022: 30%	
									May 16, 2023: 40%	
Jun 28, 2019	*Honorary Chair:*						18.58	18.58	Jun 28, 2021: 10%	Jun 27, 2029
	Ronnie C. Chan	3,025,000	–	–	–	3,025,000			Jun 28, 2022: 20%	
	(Note 3)								Jun 28, 2023: 30%	
									Jun 28, 2024: 40%	
	Directors:									
	Adriel Chan	2,200,000	–	–	–	2,200,000				
	Weber W.P. Lo	2,750,000	–	–	–	2,750,000				
	Employees	25,365,500	–	–	(809,000)	24,556,500				
		33,340,500	**–**	**–**	**(809,000)**	**32,531,500**				

Movements of the share options under the 2012 Share Option Scheme during the six months ended June 30, 2026 were set out below:

Date of Grant	Category of Participants *(Note 1)*	Number of Share Options: Outstanding as at Jan 1, 2026	Granted during the Period	Exercised during the Period	Lapsed/ Forfeited during the Period	Outstanding as at Jun 30, 2026	Exercise Price per Share HK$	Closing Price Per Share on the Date of Grant HK$	Vesting Dates *(Note 2)*	Expiry Date *(Note 2)*
May 12, 2021	Honorary Chair:						19.95	19.60	May 12, 2023: 10%	May 11, 2031
	Ronnie C. Chan	3,300,000	–	–	–	3,300,000			May 12, 2024: 20%	
	(Note 3)								May 12, 2025: 30%	
									May 12, 2026: 40%	
	Directors:									
	Adriel Chan	3,000,000	–	–	–	3,000,000				
	Weber W.P. Lo	3,000,000	–	–	–	3,000,000				
	Employees	35,080,000	–	–	(1,125,000)	33,955,000				
		44,380,000	**–**	**–**	**(1,125,000)**	**43,255,000**				
Oct 6, 2021	*Director:*						17.65	17.58	Oct 6, 2023: 10%	Oct 5, 2031
	Kenneth K.K. Chiu	2,000,000	–	–	–	2,000,000			Oct 6, 2024: 20%	
		2,000,000	**–**	**–**	**–**	**2,000,000**			Oct 6, 2025: 30%	
									Oct 6, 2026: 40%	
Feb 21, 2022	*Honorary Chair:*						16.38	16.32	Feb 21, 2024: 10%	Feb 20, 2032
	Ronnie C. Chan	3,300,000	–	–	–	3,300,000			Feb 21, 2025: 20%	
	(Note 3)								Feb 21, 2026: 30%	
									Feb 21, 2027: 40%	
	Directors:									
	Adriel Chan	3,000,000	–	–	–	3,000,000				
	Weber W.P. Lo	3,000,000	–	–	–	3,000,000				
	Kenneth K.K. Chiu	2,100,000	–	–	–	2,100,000				
	Employees	36,272,000	–	–	(1,282,000)	34,990,000				
		47,672,000	**–**	**–**	**(1,282,000)**	**46,390,000**				
	Honorary Chair	**11,550,000**	**–**	**–**	**–**	**11,550,000**				
	Directors	**32,900,000**	**–**	**–**	**–**	**32,900,000**				
	Director of HLP	**2,500,000**	**–**	**–**	**–**	**2,500,000**				
	Employees	**113,598,500**	**–**	**–**	**(3,836,000)**	**109,762,500**				
Total		**160,548,500**	**–**	**–**	**(3,836,000)**	**156,712,500**				

Movements of the share options under the 2022 Share Option Scheme during the six months ended June 30, 2026 were set out below:

Date of Grant	Category of Participants *(Note 1)*	Number of Share Options: Outstanding as at Jan 1, 2026	Granted during the Period	Exercised during the Period	Lapsed/ Forfeited during the Period	Outstanding as at Jun 30, 2026	Exercise Price per Share HK$	Closing Price Per Share on the Date of Grant HK$	Vesting Dates *(Note 2)*	Expiry Date *(Note 2)*
Jun 28, 2023	*Honorary Chair:*						12.49	12.34	Jun 28, 2025: 20%	Jun 27, 2033
	Ronnie C. Chan	3,300,000	–	–	–	3,300,000			Jun 28, 2026: 30%	
	(Note 3)								Jun 28, 2027: 50%	
	Directors:									
	Adriel Chan	3,000,000	–	–	–	3,000,000				
	Weber W.P. Lo	3,000,000	–	–	–	3,000,000				
	Kenneth K.K. Chiu	2,100,000	–	–	–	2,100,000				
	Employees	32,593,000	–	–	(1,525,000)	31,068,000				
		43,993,000	**–**	**–**	**(1,525,000)**	**42,468,000**				
Jan 27, 2025	*Directors:*						6.21	6.21	Jan 27, 2027: 20%	Jan 26, 2035
	Adriel Chan	2,000,000	–	–	–	2,000,000			Jan 27, 2028: 30%	
	Weber W.P. Lo	4,000,000	–	–	–	4,000,000			Jan 27, 2029: 50%	
	Kenneth K.K. Chiu	600,000	–	–	–	600,000				
		6,600,000	**–**	**–**	**–**	**6,600,000**				
	Honorary Chair	**3,300,000**	**–**	**–**	**–**	**3,300,000**				
	Directors	**14,700,000**	**–**	**–**	**–**	**14,700,000**				
	Employees	**32,593,000**	**–**	**–**	**(1,525,000)**	**31,068,000**				
Total		**50,593,000**	**–**	**–**	**(1,525,000)**	**49,068,000**				

Notes:

1. "Employees" include current and former employees of the HLP Group and persons who were granted share options as an incentive to enter into employment contracts with HLP and/or any of its subsidiaries.

2. Exercise periods of the share options start from the respective vesting dates and end on the respective expiry dates.

3. Mr. Ronnie C. Chan retired as the Chair and an Executive Director on April 26, 2024, and the Board bestowed upon him the title of "Honorary Chair" on the same date. Mr. Adriel Chan is the son of Mr. Ronnie C. Chan, the Honorary Chair.

4. No share options were cancelled during the Period.

Please also refer to Note 13 to the consolidated financial statements for further details of the Share Option Schemes.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2026, to the best of the knowledge of the Directors, details of substantial shareholders' and other persons' (who are required to disclose their interests pursuant to Part XV of the SFO) interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	*Note*	**Number of Shares or Underlying Shares Held (Long Positions)**	**% of Total Number of Issued Shares (Long Positions)** *(Note 5)*
Adriel Chan	*1*	551,752,580	40.52
Chan Tan Ching Fen	*2*	522,423,080	38.37
Cole Enterprises Holdings (PTC) Limited	*2*	522,423,080	38.37
Merssion Limited	*2*	522,423,080	38.37
Kingswick Investment Limited	*3*	103,609,000	7.61
Silchester International Investors LLP	*4*	110,342,000	8.10
Dodge & Cox	*4*	93,181,000	6.84

Notes:

1. These shares were the same parcel of shares held by two trusts, 522,423,080 shares of which were held by Merssion Limited under a trust and 28,579,500 shares of which were held by another trust. As Mr. Adriel Chan was a discretionary beneficiary (for 522,423,080 shares) of a trust and both a settlor and a discretionary beneficiary (for 28,579,500 shares) of another trust, he was deemed to be interested in such shares under the SFO. Mr. Adriel Chan was also personally interested in 750,000 shares of the Company.

2. These shares were the same parcel of shares held by Merssion Limited which was held under a trust. As Ms. Chan Tan Ching Fen was the founder and Cole Enterprises Holdings (PTC) Limited was the trustee, they were deemed to be interested in such shares under the SFO. These shares were included in the 551,002,580 shares deemed to be interested by Mr. Adriel Chan.

3. This company was a wholly-owned subsidiary of Merssion Limited, its interests were included in 522,423,080 shares held by Merssion Limited.

4. These shares were held in the capacity of investment managers.

5. Shareholding percentages were calculated based on the total number of issued shares of the Company as at June 30, 2026, being 1,361,618,242 shares.

Save as disclosed above, as at June 30, 2026, no other interests or short positions in the shares or underlying shares of the Company required to be recorded in the register kept under section 336 of the SFO has been notified to the Company.

CHANGE IN INFORMATION OF DIRECTORS

Changes in Directors' other major offices which are required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out below.

Director	Position	Appointment (Effective Date)	Cessation (Effective Date)
Mr. Adriel Chan	A member of the Nomination and Remuneration Committee of the Company	July 31, 2026	–
Mr. Gerald L. Chan	Chairman of Apellis Pharmaceuticals, Inc.	–	May 14, 2026
Mr. Martin C.K. Liao	An independent non-executive director, a member of each of the Nomination and Remuneration Committee, Risk Committee and Sustainability Committee of BOC Hong Kong (Holdings) Limited	March 11, 2026	–

The updated biographies of the Directors will be available in the next annual report of the Company.

Save as disclosed above, there is no other information required to be disclosed under Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities, and the Company did not hold any treasury shares (as defined in the Listing Rules) during that period and as at June 30, 2026.

EMPLOYEES

As at June 30, 2026, the Group had 4,616 employees. We offer competitive remuneration packages to all employees, including discretionary bonuses determined by individual performance, and review these packages regularly to ensure they remain in line with market conditions.

The Group also operates a share option scheme and provides employees with regular, diversified training on topics that are relevant to their roles and keep their knowledge current. During the six months ended June 30, 2026, the Group organized in-house training courses to enhance employees' job knowledge, skills and well-being, recording a total of 42,333 training hours. For details of the share option scheme, please refer to the section headed "SHARE OPTION SCHEMES" on pages 26 to 29 of this report. Further details of employee remuneration and benefits are set out in Notes 5 and 13 to the Financial Statements.

Review report to the Board of Directors of Hang Lung Group Limited
(Incorporated in the Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 34 to 54 which comprises the consolidated statement of financial position of Hang Lung Group Limited ("the Company") as at June 30, 2026 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim financial reporting* as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at and for the six months ended 30 June 2026 are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

July 31, 2026

Consolidated Statement of Profit or Loss

For the six months ended June 30, 2026 (Unaudited)

	Note	2026 HK$ Million	2025 HK$ Million	*For information purpose only* 2026 RMB Million	2025 RMB Million
Revenue	2(a)	**6,341**	5,202	**5,586**	4,813
Direct costs and operating expenses		**(2,934)**	(1,794)	**(2,584)**	(1,660)
		3,407	3,408	**3,002**	3,153
Other net income	3	**13**	41	**12**	38
Administrative expenses		**(325)**	(320)	**(287)**	(299)
Profit from operations before changes in fair value of properties		**3,095**	3,129	**2,727**	2,892
Decrease in fair value of properties		**(567)**	(269)	**(493)**	(247)
Profit from operations after changes in fair value of properties		**2,528**	2,860	**2,234**	2,645
Interest income		**19**	24	**17**	22
Finance costs		**(578)**	(511)	**(507)**	(475)
Net interest expense	4	**(559)**	(487)	**(490)**	(453)
Share of profits of joint ventures		**173**	23	**150**	22
Profit before taxation	5	**2,142**	2,396	**1,894**	2,214
Taxation	6	**(894)**	(1,088)	**(786)**	(1,001)
Profit for the period	2(b)	**1,248**	1,308	**1,108**	1,213
Attributable to:					
Shareholders		**746**	697	**662**	648
Non-controlling interests		**502**	611	**446**	565
Profit for the period		**1,248**	1,308	**1,108**	1,213
Earnings per share	8(a)				
Basic		**HK$0.55**	HK$0.51	**RMB0.49**	RMB0.48
Diluted		**HK$0.55**	HK$0.51	**RMB0.49**	RMB0.48

The accompanying notes form part of the interim financial report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026 (Unaudited)

	2026 HK$ Million	2025 HK$ Million	*For information purpose only* 2026 RMB Million	2025 RMB Million
Profit for the period	**1,248**	1,308	**1,108**	1,213
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Movement in exchange reserve:				
Exchange difference arising from translation to presentation currency	**4,610**	1,739	**(1,541)**	(1,365)
Loss on net investment hedge	**(299)**	(210)	**–**	–
Movement in hedging reserve:				
Effective portion of changes in fair value	**60**	(145)	**53**	(136)
Net amount transferred to profit or loss	**17**	(6)	**15**	(5)
Deferred tax	**(12)**	24	**(11)**	22
Item that will not be reclassified to profit or loss:				
Net change in fair value of equity investments	**1**	–	**1**	–
Other comprehensive income for the period, net of tax	**4,377**	1,402	**(1,483)**	(1,484)
Total comprehensive income for the period	**5,625**	2,710	**(375)**	(271)
Attributable to:				
Shareholders	**3,434**	1,535	**(360)**	(361)
Non-controlling interests	**2,191**	1,175	**(15)**	90
Total comprehensive income for the period	**5,625**	2,710	**(375)**	(271)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2026

	Note	(Unaudited) June 30, 2026 HK$ Million	(Audited) December 31, 2025 HK$ Million	*For information purpose only* June 30, 2026 RMB Million	December 31, 2025 RMB Million
Non-current assets					
Investment properties	9	**200,713**	175,536	**174,250**	158,263
Investment properties under development	9	**7,636**	27,359	**6,632**	24,711
Property, plant and equipment		**3,646**	3,567	**3,167**	3,222
Interests in joint ventures		**4,474**	4,377	**3,881**	3,934
Other assets		**1,431**	1,431	**1,241**	1,286
Deferred tax assets		**144**	157	**125**	142
		218,044	212,427	**189,296**	191,558
Current assets					
Cash and deposits with banks		**7,030**	6,792	**6,102**	6,117
Trade and other receivables	10	**2,791**	2,720	**2,423**	2,454
Properties for sale		**13,854**	14,293	**12,025**	12,880
		23,675	23,805	**20,550**	21,451
Current liabilities					
Bank loans and other borrowings		**5,714**	4,913	**4,958**	4,429
Trade and other payables	11	**9,787**	10,064	**8,497**	9,078
Lease liabilities		**28**	26	**24**	23
Current tax payable		**387**	335	**336**	302
		15,916	15,338	**13,815**	13,832
Net current assets		**7,759**	8,467	**6,735**	7,619
Total assets less current liabilities		**225,803**	220,894	**196,031**	199,177
Non-current liabilities					
Bank loans and other borrowings		**49,905**	49,924	**43,304**	44,932
Lease liabilities		**256**	254	**222**	229
Deferred tax liabilities		**16,312**	15,449	**14,167**	13,951
		66,473	65,627	**57,693**	59,112
NET ASSETS		**159,330**	155,267	**138,338**	140,065
Capital and reserves					
Share capital	12	**4,065**	4,065	**3,164**	3,164
Reserves		**98,234**	94,816	**85,654**	86,026
Shareholders' equity		**102,299**	98,881	**88,818**	89,190
Non-controlling interests		**57,031**	56,386	**49,520**	50,875
TOTAL EQUITY		**159,330**	155,267	**138,338**	140,065

The accompanying notes form part of the interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026 (Unaudited)

HK$ Million	Shareholders' equity					
	Share capital (Note 12)	Other reserves (Note 14)	Retained profits (Note 14)	Total	Non-controlling interests	Total equity
At January 1, 2026	**4,065**	**8,162**	**86,654**	**98,881**	**56,386**	**155,267**
Profit for the period	**–**	**–**	**746**	**746**	**502**	**1,248**
Exchange difference arising from translation to presentation currency	**–**	**2,839**	**–**	**2,839**	**1,771**	**4,610**
Loss on net investment hedge	**–**	**(194)**	**–**	**(194)**	**(105)**	**(299)**
Cash flow hedges: net movement in hedging reserve	**–**	**42**	**–**	**42**	**23**	**65**
Net change in fair value of equity investments	**–**	**1**	**–**	**1**	**–**	**1**
Total comprehensive income for the period	**–**	**2,688**	**746**	**3,434**	**2,191**	**5,625**
Final dividend in respect of previous year	**–**	**–**	**(885)**	**(885)**	**–**	**(885)**
Employee share-based payments	**–**	**7**	**4**	**11**	**8**	**19**
Change from increase of the Group's shareholding in a subsidiary	**–**	**858**	**–**	**858**	**(847)**	**11**
Dividend paid to non-controlling interests	**–**	**–**	**–**	**–**	**(707)**	**(707)**
At June 30, 2026	**4,065**	**11,715**	**86,519**	**102,299**	**57,031**	**159,330**
At January 1, 2025	4,065	5,273	86,438	95,776	56,912	152,688
Profit for the period	–	–	697	697	611	1,308
Exchange difference arising from translation to presentation currency	–	1,053	–	1,053	686	1,739
Loss on net investment hedge	–	(134)	–	(134)	(76)	(210)
Cash flow hedges: net movement in hedging reserve	–	(81)	–	(81)	(46)	(127)
Total comprehensive income for the period	–	838	697	1,535	1,175	2,710
Final dividend in respect of previous year	–	–	(885)	(885)	–	(885)
Employee share-based payments	–	12	8	20	11	31
Change from increase of the Group's shareholding in a subsidiary	–	1,203	–	1,203	(1,074)	129
Dividend paid to non-controlling interests	–	–	–	–	(695)	(695)
At June 30, 2025	4,065	7,326	86,258	97,649	56,329	153,978

The accompanying notes form part of the interim financial report.

For information purpose only

RMB Million	Shareholders' equity					
	Share capital	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
At January 1, 2026	**3,164**	**13,592**	**72,434**	**89,190**	**50,875**	**140,065**
Profit for the period	**–**	**–**	**662**	**662**	**446**	**1,108**
Exchange difference arising from translation to presentation currency	**–**	**(1,061)**	**–**	**(1,061)**	**(480)**	**(1,541)**
Cash flow hedges: net movement in hedging reserve	**–**	**38**	**–**	**38**	**19**	**57**
Net change in fair value of equity investments	**–**	**1**	**–**	**1**	**–**	**1**
Total comprehensive income for the period	**–**	**(1,022)**	**662**	**(360)**	**(15)**	**(375)**
Final dividend in respect of previous year	**–**	**–**	**(766)**	**(766)**	**–**	**(766)**
Employee share-based payments	**–**	**6**	**3**	**9**	**7**	**16**
Change from increase of the Group's shareholding in a subsidiary	**–**	**745**	**–**	**745**	**(735)**	**10**
Dividend paid to non-controlling interests	**–**	**–**	**–**	**–**	**(612)**	**(612)**
At June 30, 2026	**3,164**	**13,321**	**72,333**	**88,818**	**49,520**	**138,338**
At January 1, 2025	3,164	13,762	72,225	89,151	52,911	142,062
Profit for the period	–	–	648	648	565	1,213
Exchange difference arising from translation to presentation currency	–	(935)	–	(935)	(430)	(1,365)
Cash flow hedges: net movement in hedging reserve	–	(74)	–	(74)	(45)	(119)
Total comprehensive income for the period	–	(1,009)	648	(361)	90	(271)
Final dividend in respect of previous year	–	–	(810)	(810)	–	(810)
Employee share-based payments	–	11	7	18	11	29
Change from increase of the Group's shareholding in a subsidiary	–	1,102	–	1,102	(984)	118
Dividend paid to non-controlling interests	–	–	–	–	(637)	(637)
At June 30, 2025	3,164	13,866	72,070	89,100	51,391	140,491

Condensed Consolidated Cash Flow Statement

For the six months ended June 30, 2026 (Unaudited)

	2026 HK$ Million	2025 HK$ Million	*For information purpose only* 2026 RMB Million	2025 RMB Million
Operating activities				
Cash generated from operations	**4,252**	2,979	**3,715**	2,743
Income tax paid	**(573)**	(553)	**(506)**	(510)
Net cash generated from operating activities	**3,679**	2,426	**3,209**	2,233
Investing activities				
Payment for investment properties	**(164)**	(384)	**(137)**	(351)
Payment for investment properties under development	**(599)**	(805)	**(528)**	(744)
Payment for property, plant and equipment	**(426)**	(171)	**(372)**	(158)
Dividends from joint ventures	**100**	113	**88**	105
Increase in bank deposits with maturity greater than 3 months	**(164)**	(174)	**(145)**	(160)
Increase in cash restricted for use	**(10)**	–	**(9)**	–
Other cash flows arising from investing activities	**261**	175	**228**	164
Net cash used in investing activities	**(1,002)**	(1,246)	**(875)**	(1,144)
Financing activities				
Proceeds from new bank loans and other borrowings	**19,573**	24,130	**17,188**	22,458
Repayment of bank loans and other borrowings	**(19,816)**	(26,456)	**(17,395)**	(24,628)
Interest and other borrowing costs paid	**(918)**	(953)	**(804)**	(885)
Dividend paid	**(885)**	(885)	**(766)**	(810)
Dividend paid to non-controlling interests	**(696)**	(566)	**(602)**	(519)
Other cash flows used in financing activities	**(14)**	(13)	**(12)**	(12)
Net cash used in financing activities	**(2,756)**	(4,743)	**(2,391)**	(4,396)
Decrease in cash and cash equivalents	**(79)**	(3,563)	**(57)**	(3,307)
Effect of foreign exchange rate changes	**128**	46	**(109)**	(181)
Cash and cash equivalents at January 1	**6,409**	10,712	**5,771**	10,056
Cash and cash equivalents at June 30	**6,458**	7,195	**5,605**	6,568
Analysis of the balance of cash and cash equivalents				
Cash and deposits with banks	**7,030**	7,476	**6,102**	6,824
Less: Bank deposits with maturity greater than 3 months	**(306)**	(281)	**(266)**	(256)
Less: Cash restricted for use	**(266)**	–	**(231)**	–
Cash and cash equivalents at June 30	**6,458**	7,195	**5,605**	6,568

1. BASIS OF PREPARATION

The unaudited interim financial report has been prepared in accordance with Hong Kong Accounting Standard (HKAS) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 32.

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Company and its subsidiaries (collectively the "Group"). These developments have no material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements.

The presentation currency of these consolidated financial statements is Hong Kong dollar. In view of the Group's significant business operations in the Chinese Mainland, management has included additional financial information prepared in Renminbi in the consolidated financial statements. Such supplementary information is prepared on the same basis as 2025 as if the presentation currency is Renminbi.

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

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

The Company's auditor has reported on those financial statements. The auditor's report was 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 sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

2. REVENUE AND SEGMENT INFORMATION

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

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

(a) Disaggregation of revenue

For the six months ended June 30, 2026

HK$ Million	Revenue from contracts with customers (HKFRS 15)			Leases (HKFRS 16)	Total
	recognized at a point in time	recognized over time	Subtotal		
Rental income	–	–	–	4,500	4,500
Hotel revenue	49	98	147	–	147
Sales of completed properties	1,043	–	1,043	–	1,043
Building management fees and other income from property leasing	–	651	651	–	651
	1,092	749	1,841	4,500	6,341

For the six months ended June 30, 2025

HK$ Million	Revenue from contracts with customers (HKFRS 15)			Leases (HKFRS 16)	Total
	recognized at a point in time	recognized over time	Subtotal		
Rental income	–	–	–	4,302	4,302
Hotel revenue	48	81	129	–	129
Sales of completed properties	161	–	161	–	161
Building management fees and other income from property leasing	–	610	610	–	610
	209	691	900	4,302	5,202

2. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Revenue and results by segments

HK$ Million	2026				2025			
	Property Leasing	**Hotels**	**Property Sales**	**Total**	Property Leasing	Hotels	Property Sales	Total
Revenue								
– Chinese Mainland	**3,610**	**147**	**28**	**3,785**	3,363	129	10	3,502
– Hong Kong	**1,541**	**–**	**1,015**	**2,556**	1,549	–	151	1,700
	5,151	**147**	**1,043**	**6,341**	4,912	129	161	5,202
Profit/(loss) from operations before changes in fair value of properties								
– Chinese Mainland	**2,214**	**(29)**	**(157)**	**2,028**	2,088	(34)	(26)	2,028
– Hong Kong	**1,089**	**–**	**(22)**	**1,067**	1,105	–	(4)	1,101
	3,303	**(29)**	**(179)**	**3,095**	3,193	(34)	(30)	3,129
Decrease in fair value of properties	**(567)**	**–**	**–**	**(567)**	(269)	–	–	(269)
– Chinese Mainland	**(463)**	**–**	**–**	**(463)**	(93)	–	–	(93)
– Hong Kong	**(104)**	**–**	**–**	**(104)**	(176)	–	–	(176)
Net interest expense	**(535)**	**(24)**	**–**	**(559)**	(464)	(23)	–	(487)
– Interest income	**18**	**1**	**–**	**19**	23	1	–	24
– Finance costs	**(553)**	**(25)**	**–**	**(578)**	(487)	(24)	–	(511)
Share of profit/(loss) of joint ventures	**181**	**(8)**	**–**	**173**	36	(13)	–	23
Profit/(loss) before taxation	**2,382**	**(61)**	**(179)**	**2,142**	2,496	(70)	(30)	2,396
Taxation	**(889)**	**–**	**(5)**	**(894)**	(1,088)	–	–	(1,088)
Profit/(loss) for the period	**1,493**	**(61)**	**(184)**	**1,248**	1,408	(70)	(30)	1,308
Net profit/(loss) attributable to shareholders	**908**	**(42)**	**(120)**	**746**	765	(49)	(19)	697

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

2. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Total segment assets

HK$ Million	June 30, 2026				December 31, 2025			
	Property Leasing	**Hotels**	**Property Sales**	**Total**	Property Leasing	Hotels	Property Sales	Total
Chinese Mainland	**146,794**	**3,405**	**7,830**	**158,029**	141,056	3,299	7,434	151,789
Hong Kong	**64,146**	**–**	**6,465**	**70,611**	64,488	–	7,198	71,686
	210,940	**3,405**	**14,295**	**228,640**	205,544	3,299	14,632	223,475
Interests in joint ventures				**4,474**				4,377
Other assets				**1,431**				1,431
Deferred tax assets				**144**				157
Cash and deposits with banks				**7,030**				6,792
				241,719				236,232

3. OTHER NET INCOME

HK$ Million	**2026**	2025
Gain on disposal of investment properties	**8**	27
Net exchange gain/(loss)	**2**	(2)
Government grants	**–**	15
Others	**3**	1
	13	41

4. NET INTEREST EXPENSE

HK$ Million	**2026**	2025
Interest income on bank deposits	**19**	24
Interest expense on bank loans and other borrowings	**898**	932
Interest on lease liabilities	**7**	6
Other borrowing costs	**63**	64
Total borrowing costs	**968**	1,002
Less: Borrowing costs capitalized	**(390)**	(491)
Finance costs	**578**	511
Net interest expense	**(559)**	(487)

5. PROFIT BEFORE TAXATION

HK$ Million	**2026**	2025
Profit before taxation is arrived at after charging:		
Cost of properties sold	**946**	164
Provision for properties for sale	**124**	–
Staff costs (Note)	**772**	757
Depreciation	**76**	76

Note: The staff costs included employee share-based payments of HK$19 million (2025: HK$31 million). If the amounts not recognized in the statement of profit or loss, including amounts capitalized, were accounted for, staff costs would have been HK$912 million (2025: HK$902 million).

6. TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Provision for Hong Kong Profits Tax is calculated at 16.5% (2025: 16.5%) of the estimated assessable profits for the period. Chinese Mainland Income Tax represents Chinese Mainland Corporate Income Tax calculated at 25% (2025: 25%) and Chinese Mainland withholding tax calculated at the applicable rates. The withholding tax rate applicable to Hong Kong companies in respect of dividend distributions from foreign investment enterprises in the Chinese Mainland was 5% (2025: 5%).

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

HK$ Million	**2026**	2025
Current tax		
Hong Kong Profits Tax	**125**	130
Chinese Mainland Income Tax	**491**	468
Chinese Mainland Land Appreciation Tax ("LAT")	**1**	–
Total current tax	**617**	598
Deferred tax		
Changes in fair value of properties	**134**	366
Other origination and reversal of temporary differences	**143**	124
Total deferred tax	**277**	490
Total income tax expense	**894**	1,088

6. TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

The Hong Kong government has enacted legislation to implement the Pillar Two Model rules (the Global Anti-Base Erosion Rules, or GloBE rules) published by the Organisation for Economic Co-operation and Development (OECD) which became effective on June 6, 2025, having retrospective effect for the Group's financial year beginning on January 1, 2025. The new legislation includes an income inclusion rule and a domestic minimum tax, which together are designed to ensure a minimum effective tax rate of 15% in each of Hong Kong and the Chinese Mainland where the Group operates. The Group is in scope of the enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

Although the Chinese Mainland has yet to introduce its draft legislation for implementation on the GloBE rules, the Company as the ultimate parent entity domiciled in Hong Kong, will be liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the minimum effective tax rate of 15% apart from those where the Group's subsidiaries have already been subject to qualified domestic minimum top-up-tax and/or exempted under safe harbours or other OECD permitted exemptions. Based on the latest financial information, the Group has no top-up tax exposure for the six months ended June 30, 2026.

7. DIVIDENDS

(a) Interim dividend

HK$ Million	**2026**	2025
Declared after the end of the reporting period:		
HK21 cents (2025: HK21 cents) per share	**286**	286

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

(b) Final dividend approved and paid during the six months ended June 30, 2026

HK$ Million	**2026**	2025
2025 final dividend of HK65 cents		
(2024: HK65 cents) per share	**885**	885

8. EARNINGS PER SHARE

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

HK$ Million	**2026**	2025
Net profit attributable to shareholders	**746**	697

	Number of shares	
	2026	2025
Weighted average number of shares used in calculating basic and diluted earnings per share (Note)	**1,361,618,242**	1,361,618,242

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

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

HK$ Million	**2026**	2025
Net profit attributable to shareholders	**746**	697
Effect of changes in fair value of properties	**567**	269
Effect of income tax for changes in fair value of properties	**134**	366
Effect of changes in fair value of investment properties of joint ventures	**(95)**	44
	606	679
Non-controlling interests	**(229)**	(185)
	377	494
Underlying net profit attributable to shareholders	**1,123**	1,191

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

	2026	2025
Basic	**HK$0.82**	HK$0.87
Diluted	**HK$0.82**	HK$0.87

9. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT

(a) Additions

During the six months ended June 30, 2026, additions to investment properties and investment properties under development amounted to HK$740 million (2025: HK$1,045 million).

(b) Valuation

The investment properties and investment properties under development of the Group were revalued as of June 30, 2026 by Savills Valuation and Professional Services Limited, on a market value basis.

10. TRADE AND OTHER RECEIVABLES

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

HK$ Million	**June 30, 2026**	December 31, 2025
Not past due or less than 1 month past due	**229**	166
1 – 3 months past due	**16**	10
More than 3 months past due	**3**	3
	248	179

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

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

11. TRADE AND OTHER PAYABLES

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

HK$ Million	**June 30, 2026**	December 31, 2025
Due within 3 months	**822**	1,175
Due after 3 months	**2,627**	2,874
	3,449	4,049

12. SHARE CAPITAL

	At January 1, 2026 and June 30, 2026		At January 1, 2025 and December 31, 2025	
	Number of shares Million	**Amount of share capital HK$ Million**	Number of shares Million	Amount of share capital HK$ Million
Ordinary shares, issued and fully paid:	**1,362**	**4,065**	1,362	4,065

There was no movement in the share capital of the Company during the year ended December 31, 2025 and the six months ended June 30, 2026.

13. SHARE OPTION SCHEMES

Pursuant to the resolutions passed by the shareholders of the Company and the Company's subsidiary, Hang Lung Properties Limited ("HLP"), at their respective annual general meetings held on April 27, 2022, a new share option scheme (the "2022 Share Option Scheme") was adopted and became valid and effective on the same date for a period of 10 years. The 2022 Share Option Scheme will expire on April 26, 2032. Upon the adoption of the 2022 Share Option Scheme, the share option scheme adopted by HLP on April 18, 2012 (the "2012 Share Option Scheme", together with the 2022 Share Option Scheme are referred to as the "Schemes") was terminated upon its expiry. Upon termination of the 2012 Share Option Scheme, no further share options could be granted under the 2012 Share Option Scheme but in all other respects the provisions of the 2012 Share Option Scheme remain in full force and effect, and all share options granted prior to such termination and not exercised nor forfeited/lapsed at the date of termination remain valid.

The share options granted under the Schemes to the directors and employees of HLP and its subsidiaries are at nominal consideration and each share option gives the holder the right to subscribe for one share of HLP.

13. SHARE OPTION SCHEMES (Continued)

The movements of share options of HLP during the six months ended June 30, 2026 are as follows:

(a) 2012 Share Option Scheme

Date granted	Number of share options: Outstanding on January 1, 2026	Number of share options: Forfeited/ Lapsed	Number of share options: **Outstanding on June 30, 2026**	Period during which share options are exercisable (subject to different vesting schedule)	Exercise price (HK$)
August 10, 2017	23,156,000	(620,000)	**22,536,000**	August 10, 2019 to August 9, 2027	19.98
May 16, 2018	10,000,000	–	**10,000,000**	May 16, 2020 to May 15, 2028	18.98
June 28, 2019	33,340,500	(809,000)	**32,531,500**	June 28, 2021 to June 27, 2029	18.58
May 12, 2021	44,380,000	(1,125,000)	**43,255,000**	May 12, 2023 to May 11, 2031	19.95
October 6, 2021	2,000,000	–	**2,000,000**	October 6, 2023 to October 5, 2031	17.65
February 21, 2022	47,672,000	(1,282,000)	**46,390,000**	February 21, 2024 to February 20, 2032	16.38
Total	160,548,500	(3,836,000)	**156,712,500**		

All the above share options may vest after two to five years of the grant date and are exercisable up to the tenth anniversary of the date of grant, after which they will lapse. No share options were exercised or cancelled during the six months ended June 30, 2026.

During the six months ended June 30, 2026, 3,836,000 share options (2025: 8,598,500 share options) were forfeited upon cessations of the grantees' employments and no share options (2025: Nil) lapsed due to the expiry of the period for exercising the share options.

13. SHARE OPTION SCHEMES (Continued)

(b) 2022 Share Option Scheme

Date granted	Number of share options: Outstanding on January 1, 2026	Forfeited/ Lapsed	**Outstanding on June 30, 2026**	Period during which share options are exercisable (subject to different vesting schedule)	Exercise price (HK$)
June 28, 2023	43,993,000	(1,525,000)	**42,468,000**	June 28, 2025 to June 27, 2033	12.49
January 27, 2025	6,600,000	–	**6,600,000**	January 27, 2027 to January 26, 2035	6.21
Total	50,593,000	(1,525,000)	**49,068,000**		

All the above share options may vest after two to four years of the grant date and are exercisable up to the tenth anniversary of the date of grant, after which they will lapse. No share options were exercised or cancelled during the six months ended June 30, 2026.

During the six months ended June 30, 2026, 1,525,000 share options (2025: 2,531,000 share options) were forfeited upon cessations of the grantees' employments and no share options (2025: Nil) lapsed due to the expiry of the period for exercising the share options.

14. RESERVES

HK$ Million	Other reserves								
	Exchange reserve	Hedging reserve	Investment revaluation reserve	Employee share-based compensation reserve	General reserve	Other capital reserve	Total	Retained profits	Total reserves
At January 1, 2026	(3,104)	(47)	63	297	275	10,678	8,162	86,654	94,816
Profit for the period	–	–	–	–	–	–	–	746	746
Exchange difference arising from translation to presentation currency	2,839	–	–	–	–	–	2,839	–	2,839
Loss on net investment hedge	(194)	–	–	–	–	–	(194)	–	(194)
Cash flow hedges: net movement in hedging reserve	–	42	–	–	–	–	42	–	42
Net change in fair value of equity investments	–	–	1	–	–	–	1	–	1
Total comprehensive income for the period	2,645	42	1	–	–	–	2,688	746	3,434
Final dividend in respect of previous year	–	–	–	–	–	–	–	(885)	(885)
Employee share-based payments	–	–	–	7	–	–	7	4	11
Change from increase of the Group's shareholding in a subsidiary (Note)	–	–	–	4	–	854	858	–	858
At June 30, 2026	**(459)**	**(5)**	**64**	**308**	**275**	**11,532**	**11,715**	**86,519**	**98,234**
At January 1, 2025	(4,608)	18	64	270	275	9,254	5,273	86,438	91,711
Profit for the period	–	–	–	–	–	–	–	697	697
Exchange difference arising from translation to presentation currency	1,053	–	–	–	–	–	1,053	–	1,053
Loss on net investment hedge	(134)	–	–	–	–	–	(134)	–	(134)
Cash flow hedges: net movement in hedging reserve	–	(81)	–	–	–	–	(81)	–	(81)
Total comprehensive income for the period	919	(81)	–	–	–	–	838	697	1,535
Final dividend in respect of previous year	–	–	–	–	–	–	–	(885)	(885)
Employee share-based payments	–	–	–	12	–	–	12	8	20
Change from increase of the Group's shareholding in a subsidiary (Note)	–	–	–	7	–	1,196	1,203	–	1,203
At June 30, 2025	(3,689)	(63)	64	289	275	10,450	7,326	86,258	93,584

Note: During the six months ended June 30, 2026, the Group's equity interests in its subsidiary, HLP, increased from 65.1% to 66.0% through distribution of scrip dividend from HLP.

During the six months ended June 30, 2025, the Group's equity interests in its subsidiary, HLP, increased from 63.7% to 64.8% through distribution of scrip dividend from HLP.

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair value of the Group's financial instruments is measured at the end of the reporting period on a recurring basis, categorized into a three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified and determined with reference to the observability and significance of the inputs used in the valuation technique is as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

(a) Financial assets and liabilities measured at fair value

(i) The level of fair value hierarchy within which the fair value measurements are categorized and analyzed below:

HK$ Million	Fair value		Fair value measurements categorized into
	June 30, 2026	December 31, 2025	
Financial assets			
Trade and other receivables			
Interest rate swaps (cash flow hedges)	**3**	–	Level 2
Other assets			
Investment in equity instruments	**89**	89	Level 3
Financial liabilities			
Trade and other payables			
Cross currency swaps (cash flow hedges)	**(2)**	(8)	Level 2
Interest rate swaps (cash flow hedges)	**(8)**	(79)	Level 2

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value *(Continued)*

(i) The level of fair value hierarchy within which the fair value measurements are categorized and analyzed below: (Continued)

The fair value of the cross currency swaps and interest rate swaps is determined based on the amount that the Group would receive or pay to terminate the swaps at the end of the reporting period taking into account current interest rates and current creditworthiness of the swap counter-parties.

The fair value of non-publicly traded equity investments is determined by reference to the net asset value of these investments.

(ii) Transfers of instruments between the three-level fair value hierarchy

During the six months ended June 30, 2026, there were no transfers of instruments between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as of the end of the reporting period in which they occur.

(b) Fair value of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortized cost were not materially different from their fair values as of December 31, 2025 and June 30, 2026.

16. COMMITMENTS

At the end of the reporting period, the Group's capital commitments in respect of investment properties and property, plant and equipment which were not provided for in the financial statements were as follows:

HK$ Million	**June 30, 2026**	December 31, 2025
Contracted for	**2,587**	4,518
Authorized but not contracted for	**1,822**	2,705
	4,409	7,223

Included in the above amounts is the Group's share of capital commitments of its joint ventures that had been authorized but not contracted for amounted to RMB199 million (or HK$229 million) (December 31, 2025: Nil).

At the end of the reporting period, the Group's capital commitments in relation to capital injection to new joint venture projects were RMB768 million (or HK$884 million) (December 31, 2025: RMB790 million (or HK$875 million)).

In addition, a wholly owned subsidiary of the Group has entered into an agreement with an independent third party to lease a property for subleasing purposes that is not yet commenced. Subject to fulfillment of certain conditions, the estimated total fixed lease payments under the lease agreement will amount to approximately RMB3.2 billion (or HK$3.7 billion) (December 31, 2025: RMB3.2 billion (or HK$3.5 billion)) over the lease term of 20 years.

17. CONTINGENT LIABILITIES

At the end of the reporting period, an amount of RMB211 million (or HK$243 million) (December 31, 2025: RMB120 million (or HK$132 million)) was given to banks with respect to mortgage loans procured by the buyers of the properties in the Chinese Mainland. Such guarantees will be released by banks upon the issuance of the real estate ownership certificates to the buyers and completion of the relevant mortgage properties registration.

18. REVIEW AND APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report is unaudited, but has been reviewed by the Audit Committee. It was authorized for issue by the Board of Directors on July 31, 2026.

FINANCIAL TERMS

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

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

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

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

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

FINANCIAL RATIOS

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

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

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

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

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

FINANCIAL CALENDAR

Financial period	January 1, 2026 to June 30, 2026
Announcement of interim results	July 31, 2026
Latest time for lodging transfers	4:30 p.m. on August 13, 2026
Closure of share register	August 14, 2026
Record date for interim dividend	August 14, 2026
Interim dividend payment date	September 25, 2026

SHARE LISTING

As at June 30, 2026, 1,361,618,242 shares are listed on The Stock Exchange of Hong Kong Limited. The Company has a sponsored American Depositary Receipt (ADR) Program in the New York market.

STOCK CODE

Hong Kong Stock Exchange: 00010
Reuters: 0010.HK
Bloomberg: 10HK
CUSIP Number/Ticker Symbol for ADR Code: 41043E102/HNLGY

SHARE INFORMATION

Share price as at June 30, 2026: HK$12.58 per share
Market capitalization as at June 30, 2026: HK$17.13 billion

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong
Tel: 2862 8555
Fax: 2865 0990

INVESTOR RELATIONS CONTACT

Joyce Kwock
Email: ir@hanglung.com