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恒基兆業地產有限公司
HENDERSON LAND DEVELOPMENT COMPANY LIMITED

Incorporated in Hong Kong with limited liability
(Stock Code : 12)

2025 FINAL RESULTS ANNOUNCEMENT

CHAIRMEN'S STATEMENT

PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The Group's underlying profit attributable to equity shareholders for the year ended 31 December 2025 amounted to HK\$6,063 million, representing a decrease of HK\$3,711 million or 38% from HK\$9,774 million for the previous year. The underlying earnings per share was HK\$1.25 (2024: HK\$2.02). The decrease in underlying profit was mainly due to the recognition in the previous year of an attributable gain in the aggregate amount of approximately HK\$4,768 million, arising from the Government's resumption of certain land lots in the New Territories and the disposal of the company holding Harbour East, an investment property located in North Point, whereas in the year under review, the attributable gain arising from land resumption amounted to only HK\$599 million.

In 2025, the Group recorded a fair value loss of HK\$410 million (2024: HK\$3,478 million) after revaluation of the Group's completed investment properties and investment properties under development. This included the adjustments of cumulative changes in the fair value of disposed investment properties. After taking into account the fair value loss, the reported profit attributable to equity shareholders for the year ended 31 December 2025 was HK\$5,653 million, representing a decrease of HK\$643 million or 10% from HK\$6,296 million for the previous year. The reported earnings per share was HK\$1.17 (2024: HK\$1.30).

DIVIDENDS

Over the past three weeks, the war involving Iran in the Middle East has created significant economic uncertainties. Notwithstanding the Group's satisfactory residential sales performance over the past six months, the Board, for prudent financial management, recommends reducing the final dividend from HK\$1.30 per share to HK\$0.76 per share. The dividend will be paid to shareholders whose names appear on the Register of Members of the Company on Wednesday, 10 June 2026, and will not be subject to any withholding tax in Hong Kong. Together with the interim dividend payment of HK\$0.50 per share, the total dividend for the year will amount to HK\$1.26 per share (2024: HK\$1.80 per share), representing a decrease of 30% compared to the previous year.

The proposed final dividend is expected to be distributed to shareholders on Tuesday, 23 June 2026.

BUSINESS REVIEW

Hong Kong

Property Sales

During the year under review, the Hong Kong SAR Government introduced various talent admission policies and committed to developing Hong Kong into an international education hub. In the 2025-26 Budget, the Government announced a reduction in stamp duty for certain property transactions. In addition, the U.S. Federal Reserve implemented three consecutive interest rate cuts starting from September 2025. The talent admission policies, together with the reduction in stamp duty and the consecutive interest rate cuts, have all provided support to Hong Kong's property market.

The Group's attributable revenue from property development in Hong Kong amounted to approximately HK\$15,212 million in 2025, representing a year-on-year increase of 23%. The Group's attributable reported profit before taxation from property development in Hong Kong amounted to approximately HK\$1,566 million (2024: HK\$4,647 million). The decrease in profit was mainly due to the recognition in the previous year of an attributable net gain before taxation of approximately HK\$3,320 million, arising from the Government's resumption of certain land lots in the New Territories, whereas in the year under review, the attributable gain before taxation arising from land resumption amounted to only HK\$599 million.

During the year, the Group successfully capitalised on favourable market conditions to launch The Legacy in Mid-Levels, along with several luxury harbourfront developments located along the former Kai Tak airport runway, including Victoria Voyage (Phases 1A and 1B), Miami Quay (Phase 2) and Double Coast (Phase 3). In addition, an array of urban projects, namely, Belgravia Place (Phase 2) in Cheung Sha Wan, woodis in Wanchai, Eight Southpark and Highwood (Phase 1) in Ma Tau Kok were also launched for sale during the year. Other previously launched projects also achieved satisfactory sales results, with the first five phases of Square Mile series in Mong Kok nearly sold out. Together with the sale of other properties (including car parking spaces), contracted sales attributable to the Group in Hong Kong amounted to approximately HK\$19,271 million for the year ended 31 December 2025, representing a year-on-year increase of 71%.

At the end of December 2025, attributable contracted sales of approximately HK\$10,926 million were yet to be recognised as revenue, of which approximately HK\$8,846 million is expected to be recognised in 2026 upon completion of the relevant developments and handover of the completed units to buyers.

Property Development

In 2025, the Group and another owner completed the in-situ land exchange for the following land lot in Hung Shui Kiu/Ha Tsuen New Development Area:

Location	Type of development	Site area (sq. ft.)	Interest of the Group (%)	Estimated gross floor area attributable to the Group (sq. ft.)	Land premium attributable to the Group (HK\$ million)
Area 34B Hung Shui Kiu/Ha Tsuen New Development Area	Commercial/ Residential	178,718	50.00	580,828	931.36

As regards the Group's urban redevelopment projects, a total gross floor area of approximately 0.7 million square feet attributable to the Group has been earmarked for sales launch in 2026. In addition, urban redevelopment projects for which the Group has acquired 100% ownership interest or which have met the relevant compulsory sale application threshold are expected to provide an additional attributable gross floor area of approximately 1.6 million square feet, to be launched for sale or lease in 2027 or beyond.

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

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

		Saleable/gross floor area attributable to the Group (million sq. ft.) <i>(Note 1)</i>	Remarks
(A) Projects available for sale in 2026			
1.	Unsold units of major development projects offered for sale (Table 1)	1.5	
2.	Projects to be launched for sale in 2026 (Table 2)	0.9	
	Sub-total:	<u>2.4</u>	
(B) Projects in Urban Areas			
3.	Urban Redevelopment Projects		
	3.1 with 100% ownership interest acquired or the relevant compulsory sale application threshold has been met (Table 3)	1.6	
	3.2 with more than 20% ownership interest acquired, but the relevant compulsory sale application threshold has not been met (Table 4)	0.6	Redevelopment is subject to the successful acquisition of 100% ownership interest
4.	Central Yards Site 3 of New Central Harbourfront	1.6	To be held for rental purposes upon completion
5.	Yau Tong Bay project	0.9	<i>(Note 2)</i>
6.	Others	0.3	
	Sub-total:	<u>5.0</u>	
(C) Projects in the New Territories			
7.	Area 34B, Hung Shui Kiu/Ha Tsuen New Development Area	0.6	
8.	Hung Shui Kiu projects	2.8	<i>(Note 2)</i>
9.	Others	0.4	<i>(Note 2)</i>
	Sub-total:	<u>3.8</u>	
	Total:	<u><u>11.2</u></u>	

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

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

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

There are 26 major development projects with unsold units:

Project name and location	Gross floor area (sq. ft.)	Type of development	As at 31 December 2025			
			No. of unsold residential units	Saleable area of unsold units (sq. ft.)	Interest of the Group (%)	Saleable area of unsold units attributable to the Group (sq. ft.)
1. The Legacy 8 Castle Road Mid-Levels	472,067	Residential	149	363,346	65.00	236,175
2. The Henley 7 Muk Tai Street Kai Tak	654,602	Commercial/ Residential	321	184,481	100.00	184,481
3. Henley Park 8 Muk Tai Street Kai Tak	397,967	Residential	275	152,115	100.00	152,115
4. Victoria Voyage (Phases 1A and 1B) 18 Shing Fung Road Kai Tak (formerly known as the project at New Kowloon Inland Lot No. 6554, Kai Tak)	632,413	Commercial/ Residential/ Government facilities	989	422,171	30.00	126,651
5. Miami Quay 23 Shing Fung Road Kai Tak	574,614	Residential	1,054	425,932	29.30	124,798
6. Highwood (Phase 1) 70 To Kwa Wan Road Ma Tau Kok	213,002	Commercial/ Residential	274	84,145	100.00	84,145
7. Eden Manor 88 Castle Peak Road Kwu Tung	555,399	Residential	68	80,023	100.00	80,023
8. Double Coast (Phases 1 and 3) 19 Shing Fung Road Kai Tak	432,458	Residential	574	246,120	30.00	73,836
9. The Knightsbridge 22 Shing Fung Road Kai Tak	641,165	Commercial/ Residential	335	254,301	18.00	45,774

10.	Baker Circle One (Phases 1-3) 38 Gillies Avenue South, 33 Whampoa Street and 18 Bulkeley Street Hung Hom	339,993	Commercial/ Residential	169	43,334	100.00	43,334
11.	One Innovale 8 Ma Sik Road, Fanling	612,685	Residential	60	31,670	100.00	31,670
12.	woodis 15 Wood Road Wan Chai	86,557	Commercial/ Residential	62	25,485	100.00	25,485
13.	The Haddon 1 Whampoa Street Hung Hom	186,539	Commercial/ Residential	79	24,245	100.00	24,245
14.	The Harmonie 233 Castle Peak Road Cheung Sha Wan	159,748	Commercial/ Residential	61 (Note 1)	21,170 (Note 1)	100.00	21,170 (Note 1)
15.	Wellesley 23 Robinson Road Mid-Levels West	156,900 (Note 2)	Residential	20	35,459	50.00 (Note 2)	17,730
16.	Belgravia Place 1 Berwick Street Cheung Sha Wan	416,317	Commercial/ Residential	53	13,758	100.00	13,758
17.	The Upper South 71 Main Street Ap Lei Chau	40,318	Commercial/ Residential	47	9,509	100.00	9,509
18.	Eight Southpark 8 Nam Kok Road Ma Tau Kok	117,994	Commercial/ Residential	42	11,254	76.468	8,606
19.	The Paddington 456 Sai Yeung Choi Street North Cheung Sha Wan	171,664	Residential	28	7,959	100.00	7,959
20.	The Hampstead Reach 8 Ping Kin Lane Yuen Long	27,868	Residential	3	5,427	100.00	5,427
21.	The Royale 8 Castle Peak Road - Castle Peak Bay Tuen Mun	663,062	Residential	34	24,271	16.705	4,054
22.	South Walk•Aura 12 Tin Wan Street Aberdeen	37,550	Commercial/ Residential	14	3,443	100.00	3,443

23.	The Addition 350 Un Chau Street Cheung Sha Wan	79,903	Commercial/ Residential	7	2,536	100.00	2,536
24.	Global Gateway Tower 61A-61E and 63 Wing Hong Street Cheung Sha Wan	336,052	Industrial	Not applicable	75,693 (Note 3)	100.00	75,693 (Note 3)
25.	E-Trade Plaza 24 Lee Chung Street Chai Wan	173,850	Office	Not applicable	58,935 (Note 3)	100.00	58,935 (Note 3)
26.	Mega Cube 8 Wang Kwong Road Kowloon Bay	171,194	Office	Not applicable	48,622 (Note 3)	100.00	48,622 (Note 3)
			Total:		4,718 2,655,404		1,510,174

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

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

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

(Table 2) Projects to be launched for sale in 2026

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

Project name and location	Gross floor area (sq. ft.)	Type of development	No. of residential units	Gross floor area of residential units (sq. ft.)	Interest of the Group (%)	Gross floor area of residential units attributable to the Group (sq. ft.)
1. Chester 8 Whampoa Street Hung Hom	134,874	Commercial/ Residential	241	94,559 <i>(Note)</i>	100.00	94,559 <i>(Note)</i>
2. 1 Bailey Street Hung Hom	717,464	Commercial/ Residential	1,296	597,886	50.00	298,943
3. Fanling Sheung Shui Town Lot No. 263 Kwu Tung	339,066	Commercial/ Residential	682	282,555	90.10	254,582
4. Highwood (Phase 2) 70 To Kwa Wan Road Ma Tau Kok	169,196	Residential	415	169,196	100.00	169,196
5. 18 Man On Street Mong Kok	57,763	Commercial/ Residential	126	52,343	100.00	52,343
6. 33 Elgin Street Central	42,572	Commercial/ Residential	93	40,990	100.00	40,990
7. 16-20 Temple Street Yau Ma Tei	20,286	Commercial/ Residential	48	19,159	100.00	19,159
8. 29A Lugard Road The Peak	11,703	Residential	1	11,703	100.00	11,703
		Total:	2,902	1,268,391		941,475

Note : Representing the saleable area of the residential units.

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

There is an array of urban redevelopment projects with 100% ownership acquired or the relevant compulsory sale application threshold has been met. Based on the general building plans approved by the Buildings Department or the Government's latest town planning parameters, the expected gross floor area attributable to the Group of those projects is as follows:

By District	With 100% ownership interest acquired		With less than 100% ownership interest but the relevant compulsory sale application threshold has been met*		Total expected gross floor area attributable to the Group (sq. ft.)
	Site area attributable to the Group (sq. ft.)	Expected gross floor area attributable to the Group upon completion of the redevelopment project (sq. ft.)	Site area attributable to the Group (sq. ft.)	Expected gross floor area attributable to the Group upon completion of the redevelopment project (sq. ft.)	
Hong Kong					
1. Mid-Levels	64,294	346,267	6,212	31,060	377,327
2. Causeway Bay	4,497	47,033	2,019	18,171	65,204
3. Aberdeen	4,950	42,075	2,868	25,506	67,581
4. Quarry Bay	21,941	217,534			217,534
Sub-total:	95,682	652,909	11,099	74,737	727,646
Kowloon					
5. Tsim Sha Tsui	12,283	147,394			147,394
6. Hung Hom	41,215	380,654	3,400	30,600	411,254 (Note 1)
7. Tai Kok Tsui	18,545	166,868			166,868 (Note 2)
8. Ho Man Tin	4,698	39,634			39,634
9. Cheung Sha Wan	6,510	58,590			58,590 (Note 3)
10. Kowloon City	10,954	97,231			97,231 (Note 3)
Sub-total:	94,205	890,371	3,400	30,600	920,971
Total:	189,887	1,543,280	14,499	105,337	1,648,617

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

Note 1: Part of an urban renewal plan with a total gross floor area of more than 1 million square feet, of which approximately 660,000 square feet is attributable to projects (namely, Baker Circle•Dover, Baker Circle•Euston, Baker Circle•Greenwich, The Haddon and Chester) which have been launched for sale or are proposed to be launched for sale in 2026.

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

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

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

There are other redevelopment projects in various urban districts where acquisition of units in existing buildings is ongoing. Currently, more than 20% ownership interest of each project has been acquired, but the relevant compulsory sale application threshold has not been met. If the remaining interest is acquired, the sites will be redeveloped and upon completion, based on the Government's latest town planning parameters, the total gross floor area attributable to the Group will be approximately 1,770,000 square feet. Based on the Group's undivided shares in the lots, the total gross floor area attributable to the Group is approximately 640,000 square feet. However, these redevelopment projects are subject to the successful acquisition of the remaining interest in the relevant lots, which is uncertain.

Land Bank

As at 31 December 2025, the Group's land bank in Hong Kong amounted to approximately 22.4 million square feet of gross floor area attributable to the Group, which comprised the following:

	Gross floor area attributable to the Group (million sq. ft.)
Projects pending sale or pending/under development (<i>Note</i>)	9.7
Unsold units of major development projects offered for sale	1.5
Sub-total:	11.2
Completed investment properties (including hotels)	11.2
Total:	22.4

Note: The above includes plots in Hung Shui Kiu and other project sites with a total developable area of approximately 3.2 million square feet attributable to the Group which will be confirmed after reaching an agreement with the Government on the amount of land premium payable.

Land in Urban Areas

In addition to projects scheduled for sales launch as described above, urban redevelopment projects for which the Group has acquired 100% ownership interest or which have met the relevant compulsory sale application threshold are expected to provide a total gross floor area of approximately 1.6 million square feet attributable to the Group, to be launched for sale or lease in 2027 and beyond.

In January 2025, a wholly-owned subsidiary of the Group entered into an agreement for the sale of the land lot at No. 16 Kimberley Road, Kowloon, Hong Kong (the "Property") together with a new hotel to be built and erected thereon by the Group to a wholly-owned subsidiary of Miramar Hotel and Investment Company, Limited, a listed subsidiary of the Group. As the conditions precedent to the completion of the transaction were not fulfilled, the relevant transaction was cancelled. The Group will continue the initiatives to demolish the existing building erected on the Property and redevelop the Property into a new hotel based on the approved general building plans.

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

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

New Territories Land

During the year, the Group acquired additional land lots with a total area of approximately 570,000 square feet in the New Territories. Meanwhile, land lots with a total area of approximately 900,000 square feet in Yuen Long South, Kam Tin, San Tin, Hung Shui Kiu, together with the sites designated for the construction of the Northern Link Main Line, were resumed by the Government for public use, with cash compensation amounting to approximately HK\$940 million. As at 31 December 2025, the Group's land bank in the New Territories amounted to approximately 40.5 million square feet, continuing to represent the largest holding among property developers in Hong Kong:

By District	Land area attributable to the Group (million sq. ft.)
Yuen Long District	24.1
North District	12.4
Tai Po District	3.4
Tuen Mun District and others	0.6
Total:	40.5

In Hung Shui Kiu/Ha Tsuen New Development Area, apart from the above completed in-situ land exchange, the Group and another owner have applied for in-situ land exchange for four land lots. These lots are planned for commercial development and will provide an attributable gross floor area of about 2.8 million square feet in aggregate upon completion of the land exchange. In the 2025 Policy Address, the Chief Executive introduced new measures to accelerate the development of the Northern Metropolis. These include: (i) introducing dedicated legislation to accelerate the development of the Northern Metropolis; (ii) implementing a "phased development" approach to attract businesses, bringing footfall to the area to create momentum; (iii) adopting a "pay for what you build" approach to reduce the cost of land premiums in the Northern Metropolis; (iv) allowing land owners in the Northern Metropolis to voluntarily surrender land planned to be resumed by the Government to offset the amount payable for in-situ land exchange; (v) introducing a Fast Track Processing System to reduce construction costs and time; and (vi) employing flexible land-grant arrangements, encouraging enterprises to set up businesses and invest in the area with sites granted as tenancy with a term exceeding 7 years. Regarding the above new measures, the Group will monitor the details closely. Apart from the land lots designated for exchange as mentioned above, the Group's land bank in Hung Shui Kiu/Ha Tsuen currently amounts to approximately 2.31 million square feet.

In 2020, the Government announced specific criteria in respect of the implementation framework for its Land Sharing Pilot Scheme. In order to work in line with the Government's policy to satisfy the keen housing demand, the Group, after reviewing its land holding in the New Territories, submitted an application to the relevant authority under this scheme in conjunction with another developer. The project concerned is located in Lam Tsuen, Tai Po, covering a site area of about 2 million square feet or 19.3 hectares, which is slightly larger than Victoria Park in Hong Kong. The project aims to offer 30% of its housing units (3,636 units) for private housing development for sale, while the remaining 70% (8,484 units) will be for the Government's public housing development. In November 2022, the project was supported by an advisory group and agreed in principle by the Executive Council. The project is currently going through the rezoning process. The Group hopes that by participating in this scheme, it can use the relevant land resources more efficiently and expedite the unlocking of their potential value.

In October 2021, the Government promulgated the Northern Metropolis Development Strategy by putting forward the proposal of developing the Northern Metropolis into an international innovation and technology hub. It will include the comprehensive San Tin Technopole, comprising the Hong Kong-Shenzhen Innovation and Technology Park at the Loop and the area around San Tin/Lok Ma Chau. The Government further promulgated the North Metropolis Action Agenda 2023 in October

2023 to include the Technopole as part of the Innovation and Technology Zone. According to the draft San Tin Technopole Outline Zoning Plan, approved by the Chief Executive in Council in September 2024, the Government will resume land from developers for innovation and technology use. In addition, the Government released its development proposal of Ngau Tam Mei, which is adjacent to San Tin, in November 2024. The related public engagement activities were completed in January 2025. In July 2025, the Government announced the resumption of land for the development of San Tin Technopole (Phase 1) (First Batch) and Sam Po Shue Wetland Conservation Park (First Phase). Excluding the land lots resumed by the Government, the Group's land bank in San Tin of Northern Metropolis currently amounts to approximately 5.8 million square feet. In addition, the Group holds a land bank of approximately 4.5 million square feet in Ngau Tam Mei.

Investment Properties

For the year ended 31 December 2025, the gross rental income in Hong Kong attributable to the Group (including gross rental income attributable to subsidiaries, associates and joint ventures) increased by 1% year-on-year to HK\$6,916 million. The corresponding net rental income before taxation attributable to the Group decreased by 1% year-on-year to HK\$4,872 million. For the International Finance Centre (“ifc”) project, in which the Group has a 40.77% interest, the gross rental income attributable to the Group remained flat at HK\$1,634 million.

As at 31 December 2025, the average leasing rate for the Group’s major investment properties was 93%.

With the successive completion of Parkwood, which is to be rented as an off-campus accommodation for university students, and the podium malls of various developments (namely, Phase 1 of Belgravia Place, Gateway • Square Mile, The Haddon and Eight Southpark), as at 31 December 2025, the Group’s completed investment property portfolio in Hong Kong had increased to approximately 10.7 million square feet. Details of the Group’s completed investment property portfolio are as follows:

By type	Gross floor area attributable to the Group (million sq. ft.)	Percentage (%)
Shopping arcade or retail	5.7	53
Office	4.2	39
Industrial	0.3	3
Residential and hotel apartment	0.5	5
Total:	10.7 <i>(Note)</i>	100

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

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

Retail portfolio

During the year, the gradual improvement of consumer sentiment among local residents, together with the increase in visitor arrivals to Hong Kong, provided support to the city's retail market. The Group's retail portfolio maintained a high overall occupancy rate, and tenants in certain core projects recorded a recovery in sales turnover.

Apart from continuously upgrading its shopping malls to meet sustainability requirements, the Group also refined its tenant mix to cater to changing consumer preferences. In addition, the Group collaborated with artists to host live performances and autograph signing events. During the 15th National Games of the People's Republic of China, the Group launched the National Games Fiesta and broadcast the competitions live at its malls to encourage public support for this major sporting event. These initiatives attracted extensive media coverage and further increased shoppers traffic at the malls.

The Group's innovative marketing efforts were well recognised by the industry. The "MCP x MOSTown x LEGO Lucky Up New Year" campaign received the Gold Award for Best Launch / Rebranding PR Campaign at the PR Awards 2025. MCP in Tseung Kwan O and MOSTown in Ma On Shan were awarded Mall Initiative of the Year – Hong Kong and Regional Mall of the Year – Hong Kong, respectively, at the Retail Asia Awards 2025. MCP Central was further honoured with the Merit Award – Existing Buildings Category: Facilities Management. In addition, the Group received the Pioneer Award in the Green Building Leadership Category: Facilities Management at the Green Building Award.

The Group's two large-scale urban redevelopment projects in Tai Kok Tsui and Hung Hom are being completed in phases, providing a total retail floor area of approximately 163,000 square feet and 168,000 square feet, respectively. Designed to align with contemporary lifestyle positioning, both shopping complexes will feature a curated mix of distinctive dining, trendy retail and popular leisure facilities. Upon completion, these projects are expected to further enhance the Group's rental income.

Office portfolio

During the year, the office leasing market in Hong Kong began to show signs of stabilisation. Grade-A office buildings in core districts, in particular, benefited from the increase in fundraising activities through initial public offerings and the improved sentiment in the local stock market, leading to a rebound in both absorption and rental levels.

The Henderson, the 465,000-square-foot office development, is currently 95% leased. Designed by the internationally acclaimed architectural firm Zaha Hadid Architects (“ZHA”), this office development is a landmark destination for global commerce and architectural brilliance. The office lobby features the *Balloon Swan (Red)*, a sculpture by renowned contemporary artist Jeff Koons. Set atop The Henderson, Cloud 39 is the highest all-glass rooftop ballroom in Hong Kong, offering sweeping views of the city’s dynamic skyline. In addition, an outdoor space adjacent to The Henderson has been transformed into ZHA’s first sculpture park in Asia, open for public enjoyment. The Henderson is the first super Grade-A commercial development in Hong Kong to receive ten top-tier certifications across multiple sustainability and smart technology standards. It is also the first project in China to receive full marks in both the SmartScore Certification and China Smart Building Certification. The Henderson continues to attract top-tier tenants, including Point72, Christie’s, Carlyle, Audemars Piguet and Cohen & Steers.

Leveraging superior property quality and effective tenant engagement, the Group’s other office developments also delivered steady performance during the year. ifc in Central, AIA Tower in North Point, as well as the Group’s portfolio of office and industrial/office premises in Kowloon East, including Manulife Financial Centre, AIA Financial Centre, 78 Hung To Road and 52 Hung To Road, maintained an overall occupancy rate of around 90%.

As regards Central Yards, the 1,600,000-square-foot mixed-use development on the New Central Harbourfront, its Phase 1 development is scheduled to top out in the second quarter of 2026 and to open in 2027. Jane Street Asia Limited, a quantitative trading firm, has signed an agreement for lease and will become the first anchor tenant, occupying over 223,000 square feet across six floors, which accounts for more than 70% of the development’s Phase 1 office and ancillary space. The remaining areas are also attracting strong interest from leading multinational companies, which is testimony to the development’s unique positioning as a new financial hub.

Construction

Distinguishing itself from over 3,000 entries worldwide, The Henderson in Central was acclaimed as The World's Best Property at the International Property Awards 2025, becoming the first project developed by a Hong Kong developer to receive this honour. The Henderson was also named "Best International Commercial High-Rise Development" and "Best Commercial High-Rise Development Asia-Pacific". In addition, The Henderson received the Grand Award – New Buildings Category: Completed Projects (Commercial) at the biennial Green Building Award. As for residential developments, The Legacy in Mid-Levels was named Luxury Residential Development of the Year – Hong Kong, whilst the Group was awarded the top honour of Developer of the Year – Hong Kong at the Real Estate Asia Awards 2025. These accolades serve as the finest tribute to celebrate the Group's 50th anniversary and reaffirm its leadership in promoting visionary design and green building.

The Group has always taken a proactive approach in preventing safety hazards at construction sites. In addition to strictly prohibiting smoking within construction areas, it has initiated discussions with relevant government departments and the Construction Industry Council to develop a fire detection and monitoring system for construction sites. The Group is also exploring the adoption of metal scaffolding as a replacement for traditional bamboo scaffolding. Furthermore, the Group is collaborating with a university to develop an AI-powered camera scanning system to ensure that all construction works adhere to original designs, thereby further enhancing construction quality.

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

	Project name and location	Site area (sq. ft.)	Gross floor area (sq. ft.)	Type of development	Interest of the Group (%)	Gross floor area attributable to the Group (sq. ft.)
1.	Belgravia Place (Phase 1) 1 Berwick Street Cheung Sha Wan	36,167	293,566	Commercial/ Residential	100.00	293,566
2.	The Paddington 456 Sai Yeung Choi Street North Cheung Sha Wan	22,889	171,664	Residential	100.00	171,664
3.	The Haddon 1 Whampoa Street Hung Hom	19,721	186,539	Commercial/ Residential	100.00	186,539
4.	Eight Southpark 8 Nam Kok Road Ma Tau Kok	13,113	117,994	Commercial/ Residential	76.468	90,228
5.	Gateway • Square Mile 1 Ka Shin Street Mong Kok	9,642	88,367	Commercial/ Residential	100.00	88,367
6.	Parkwood 3 Mei Sun Lane Tai Po	7,976	49,077	Commercial/ Residential	100.00	49,077
					Total:	879,441

Property Management

The Group's property management companies consist of Hang Yick Properties Management Limited ("Hang Yick"), Well Born Real Estate Management Limited ("Well Born"), H-Privilege Limited ("H-Privilege", which provides superior management services for the Group's prestigious housing projects - The H Collection), Goodwill Management Limited and H Commerce Management Limited (which provides superior management services for The Henderson – The World's Best Property, as well as commercial properties and shopping malls). These companies, collectively managing over 87,000 apartments and industrial/commercial units, 10 million square feet of shopping and office space, as well as 20,000 car parking spaces in Hong Kong, maintain leading positions within the industry.

The property management companies have implemented an Integrated Management System, which complies with the requirements of ISO 9001 (Quality Management System), ISO 10002 (Complaints Handling Management System), ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System). Accordingly, quality, environmental sustainability, health and safety are consistently integrated into every aspect of their services and daily operations.

Upholding the Group's commitment to sustainability, during the year its property management companies, including Hang Yick, Well Born and H-Privilege, built on the success of past initiatives such as making Christmas trees from recycled plastic bottles, second-hand books and aluminum cans and collaborated with the Hong Kong Police to make Christmas trees using collected plush toys together with the police's anti-scam mascot "The Little Grape". These recycled Christmas trees were then displayed at the properties under their management, creating a festive atmosphere while promoting eco-friendly practices and raising the public's anti-deception awareness. In addition, rooftop/urban farms have been established at selected commercial properties to encourage an eco-conscious lifestyle, offering tenants the joy of farming and access to freshly harvested vegetables. In recognition of their efforts to promote waste reduction and green living, these property management companies received multiple commendations during the year, including "Wastewi\$e Certificate – Excellent Level" from The Hong Kong Green Organisation Certification and "Corporate Environmental Leadership of the Year" from Asia Pacific Customer Service Consortium.

As for community services, these property management companies launched the "Year of Vitality" campaign during the year to raise public awareness of both physical and mental well-being. They also partnered with a charitable institution to organise a wide range of sports, music and environmental protection activities, injecting more vitality into the community. In addition, their volunteer teams actively participated in various caring activities and received the "Corporate - Top 10 Highest Volunteer Hour Award", "Corporate - Most Active Award (Volunteer Hours)", as well as "Top 10 Caring Estate" at the Hong Kong Volunteer Award 2025.

Chinese Mainland

In 2025, many cities in their efforts to transform the real estate sector towards high-quality development, successively introduced new residential construction standards built around four core principles: safety, comfort, environmental sustainability and smart living. The goal was to foster the development of “good houses” that meet the demands of a new era and enhance the overall quality of urban living. Supported further by the most accommodative policy environment, the first half of the year recorded active transactions in new residential sales, pushing prices upward. However, momentum weakened in the second half of the year as the market showed signs of cooling, with increasing differentiation particularly affecting projects developed under older standards. As for the land market, conditions of public land sales commonly stipulated requirements for compliance with the “good housing” standards. While land transfer prices varied significantly across cities, the land transfer price for prime sites in first-tier cities continued to rise.

The following development projects were completed during the year:

Project name	Usage	Interest of the Group (%)	Gross floor area attributable to the Group (million sq. ft.)
1. The Pier, Shanghai	Office and Commercial	51	0.42
2. Panyu Project, Guangzhou (Phase 2 (first batch))	Residential	50	0.05
3. Yunhui Tower, Shenzhen	Technology R&D and Ancillary Facilities	50	0.21
4. Xindu Project, Chengdu (Phase 2)	Residential	50	0.28
5. CIFI Centre, Chengdu (Phase 2)	Residential	50	0.21
6. Yubei Project, Chongqing (Phase 2)	Residential	50	0.08
7. Shijie Project, Dongguan (Phase 1 (second batch))	Residential and Commercial	50	0.05
8. Changan Project, Shijiazhuang (Phase 3)	Residential	100	0.95
9. Dongli Project, Tianjin (Phase 2)	Residential and Commercial	50	0.26
10. Dongxihu Project, Wuhan (Phase 1 (second batch))	Residential	50	0.06
11. La Botanica, Xian (Phase 4M1-2)	Commercial	50	0.55
Total:			3.12

The Group's strategy in Chinese Mainland was as follows:

Property Investment: During the year, the Group strategically directed its resources towards the leasing of two large-scale projects completed in recent years, namely, Lumina Guangzhou in Yuexiu District, Guangzhou and Lumina Shanghai in the Xuhui Riverside Area, Shanghai. This initiative achieved notable success, with year-end leasing rates exceeding 80% for both the 970,000-square-foot Grade-A office twin towers at Lumina Guangzhou and the 1,000,000-square-foot Lumina Shanghai II. The Group also newly completed two joint venture commercial composite projects, namely, the 830,000-square-foot The Pier in Pudong, Shanghai and the 400,000-square-foot Yunhui Tower in Nanshan, Shenzhen, for which leasing campaigns are currently underway. With the successive commencement of operations of these new projects, the Group's rental income is expected to establish a positive trajectory for recurring income in the years ahead.

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

As at 31 December 2025, in addition to approximately 3.1 million square feet of attributable gross floor area in completed property stock, the Group's land bank in 12 cities amounted to approximately 7.46 million square feet of gross floor area attributable to the Group, with approximately 66% designated for the development of residential properties:

Land Bank Under Development or Pending Future Development

	Estimated developable gross floor area attributable to the Group* (million sq. ft.)
First-tier cities	
Beijing	0.05
Guangzhou	0.87
Sub-total:	0.92
Second-tier cities	
Changsha	0.05
Chengdu	3.29
Chongqing	0.57
Dongguan	0.10
Foshan	0.24
Shijiazhuang	1.43
Suzhou	0.03
Tianjin	0.38
Wuhan	0.39
Xuzhou	0.06
Sub-total:	6.54
Total:	7.46

Utilisation of Land Bank

	Estimated developable gross floor area attributable to the Group* (million sq. ft.)	Percentage (%)
Residential	4.88	66
Office	1.21	16
Commercial	1.14	15
Others (including clubhouses, schools and community facilities)	0.23	3
Total:	7.46	100

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

Property Sales

During the year, the volume of pre-sold residential units completed and delivered to buyers experienced a decline compared to the previous year. Revenue attributable to the Group's property development in the Mainland as recognised in the financial statements for the year under review amounted to approximately RMB3,148 million (equivalent to approximately HK\$3,426 million), representing a year-on-year decrease of 58% in Renminbi terms from RMB7,501 million recorded in the previous year. The Group recorded a loss before taxation of RMB231 million (equivalent to approximately HK\$253 million), compared with a profit before taxation of RMB897 million (equivalent to approximately HK\$985 million) in the previous year.

During the year, contracted sales attributable to the Group decreased by 45% in Renminbi terms year-on-year to approximately RMB1,707 million (equivalent to approximately HK\$1,877 million) from RMB3,085 million (equivalent to approximately HK\$3,379 million) in the previous year. In terms of attributable gross floor area, contracted sales decreased by 36% to approximately 1.4 million square feet. Major projects included the Changan project in Shijiazhuang, La Botanica in Xian, a mixed-use project in Chaoyang District, Beijing, as well as the Xindu project and CIFI Centre in Chengdu.

As at 31 December 2025, attributable contracted sales of approximately HK\$1,858 million are yet to be recognised in the accounts. It is anticipated that approximately HK\$1,590 million will be recognised in 2026 upon completion of the relevant developments and handover of the completed units to buyers.

Investment Properties

With the successive completion of The Pier in Shanghai, Yunhui Tower in Shenzhen and the shopping mall at La Botanica (Phase 2) in Xian, as at 31 December 2025, the completed investment property portfolio attributable to the Group in the Mainland increased to approximately 13.8 million square feet, the details of which are as follows:

By type	Gross floor area attributable to the Group* (million sq. ft.)	Percentage (%)
Office	9.6	70
Commercial	4.2	30
Total:	13.8	100

By geographical area	Gross floor area attributable to the Group* (million sq. ft.)	Percentage (%)
Beijing	2.2	16
Shanghai	7.3	53
Guangzhou	2.5	18
Other	1.8	13
Total:	13.8	100

* Including lettable areas in the basement.

Some corporate tenants continued to maintain a prudent approach, prioritising cost reduction and operational efficiency. This restrained spending, together with the significant volume of new supply, continued to weigh on the Mainland leasing market. During the year, gross rental income attributable to the Group decreased by 12% year-on-year in Renminbi terms. After accounting for the approximately 1% year-on-year depreciation of the Renminbi against the Hong Kong Dollar, gross rental income attributable to the Group decreased by 13% year-on-year to HK\$1,826 million. Net rental income before taxation attributable to the Group also decreased by 18% year-on-year to HK\$1,304 million during the year.

In Beijing, foreign companies opted to tighten cost controls given the economic outlook, while some large-scale domestic enterprises downsized their operations to reduce costs. The leasing rate of World Financial Centre in Chaoyang Central Business District fell to just over 50% at the end of December 2025. The Group will continue to adopt flexible leasing strategies to navigate market changes. Due to its reputable building quality, this international Grade-A office complex is expected to attract leasing interest from corporations that prioritise quality.

In Shanghai, as at 31 December 2025, Henderson Metropolitan near the Bund achieved a leasing rate of 96% for its office and 91% for its shopping mall. The leasing rates for Henderson 688 in Nanjing Road West business hub and the joint-venture project in the Middle Huaihai Road business hub were 90% and 93%, respectively. The office developments at Grand Gateway II, located above the Xujiahui subway station, recorded a leasing rate of over 70%. The leasing rates of Greentech Tower and Centro adjacent to the Shanghai Railway Station were approximately 80% and 60%, respectively. Lumina Shanghai, an integrated development with direct access to Longyao subway station, is strategically located in the Xuhui Riverside Area. This area is one of the key riverside developments under the Shanghai 14th Five-year Plan and has become a hub for culture, media and digital technology development in the city. The 61-storey iconic office tower of Phase 1 of Lumina Shanghai provides approximately 1,800,000 square feet of Grade-A office space. During the year, BOSCH, a leading European home appliance company, was secured as a tenant, which boosted the leasing rate of this development to nearly 70%. Its 200,000-square-foot shopping mall hosts numerous food and beverage outlets, offering diverse dining options to customers. The neighbouring 1,000,000-square-foot Phase 2 development, Lumina Shanghai II, is home to many renowned automotive corporations. Pop Mart, an industry-leading pop culture company, also expanded its leased floor space, boosting the leasing rate of this development to more than 80% at the end of December 2025. The joint venture commercial composite development in Pudong, namely, The Pier, was newly completed during the year. Located in Xinminyang area, positioned as a world-class waterfront mixed-functional belt with close proximity to Lujiazui business hub, The Pier comprises two 11-storey office buildings, one 12-storey office building and five commercial buildings, providing a total gross floor area of about 830,000 square feet. Active negotiations are underway with a number of financial institutions and multinational corporations for the leasing of premises at The Pier.

In Guangzhou, Lumina Guangzhou, an integrated development atop the Haizhu Square interchange station of two subway lines, is strategically located in this core city of the Guangdong-Hong Kong-Macao Greater Bay Area. Commanding panoramic views of the Pearl River, its 970,000-square-foot Grade-A office twin towers attract many multinational corporations and international organizations as tenants. During the year, in addition to securing BANDAI NAMCO, a leading entertainment group, as tenant, many existing tenants (including BASF, the world-renowned chemical company and SANOFI, the multinational pharmaceutical company) expanded their leased floor space. This boosted the leasing rate of this office development to more than 80% at the end of December 2025. Its 900,000-square-foot shopping podium and underground commercial area host a wide variety of specialty eateries and movie theatres, offering customers a diverse dining and leisure experience. Hengbao Plaza, located above the Changshou Road subway station, continued to optimise its tenant mix to enhance its attractiveness, achieving a leasing rate of approximately 80% at the end of December 2025.

In Shenzhen, Yunhui Tower in Nanshan District was newly completed during the year. Situated close to the Nanyou West and Nanyou subway stations, this joint venture commercial composite development comprises industrial R&D offices, supporting dormitory and commercial facilities,

providing a total gross floor area of approximately 400,000 square feet. The leasing response for its office space has been positive, with the committed rate exceeding 80% at the end of December 2025.

Property Management

During the year, Shanghai Starplus Property Management Co., Ltd. ("Starplus") took over the management of the newly completed The Pier in Shanghai and Yunhui Tower in Shenzhen. Together with eight existing properties under its management (including Lumina Shanghai I and II, Henderson 688, Henderson Metropolitan, Greentech Tower and Centro in Shanghai, World Financial Centre in Beijing, as well as Lumina Guangzhou in Guangzhou), Starplus manages a total floor area of more than 14,000,000 square feet, including 5,600 car parking spaces in Chinese Mainland.

In order to ensure that the best service is provided to all the properties under its management, Starplus has adopted management practices and professional accreditation standards which comply with the requirements of ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System) and ISO 50001 (Energy Management System). Its commitment to professionalism has also been extended to cover all properties under its management.

In support of the national "dual-carbon" policy objectives of carbon peaking and carbon neutrality, Starplus undertook a comprehensive carbon footprint verification this year in accordance with the ISO 14064-1 standard (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and succeeded in obtaining third-party certification. Tower 2 of Lumina Shanghai II was awarded the WELL Core v2 Platinum certification. In addition, together with Henderson 688, Henderson Metropolitan, Greentech Tower, Centro and Lumina Guangzhou, this development succeeded in maintaining the WELL Health-Safety Rating from the International WELL Building Institute (IWBI). Henderson Metropolitan was further awarded the Zero Waste certification by LEED. Through its commitment to sustainability, Starplus has established a brand which is well recognised in the market, gaining wide support and trust from the public. In acknowledgement of these achievements, Starplus was honoured with the "2025 Guancha.cn ESG Exemplary Enterprise — ESG Potential Award."

Henderson Investment Limited (“HIL”)

HIL’s loss attributable to equity shareholders for the year ended 31 December 2025 amounted to HK\$67 million (2024: HK\$125 million).

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

For many years, HIL has been dedicated to integrating the operations of Citistore and Unicorn. At the end of 2024, their common membership loyalty programme CU APP was integrated with H • COINS, the membership loyalty programme of the Company. This strategic integration has resulted in CU APP membership exceeding 910,000, thereby establishing a solid foundation for HIL’s sustainable development.

(I) Citistore

Citistore recorded a year-on-year decrease of 14% in the aggregate sales proceeds from the sales of own goods, consignment sales and concessionaire sales for the year ended 31 December 2025.

During the year, Citistore’s sales of own goods decreased by 14% year-on-year to HK\$248 million, while the gross margin remained stable at 31%.

Citistore’s consignment sales comprise the sales of consignors’ products on consignment basis on designated shelves or in designated areas, while concessionaire sales are conducted by concessionaires operating from their own shop spaces within Citistore’s stores under licence agreements. From all consignment and concessionaire sales Citistore receives a revenue-based commission or base commission (if any), whichever is higher, as its commission income. During the year, due to the decrease in the aggregate sales proceeds from consignment and concessionaire sales, the total commission income from such sales decreased by 13% year-on-year to HK\$267 million.

After deducting its operating expenses, Citistore recorded a profit after taxation of HK\$1 million for the year ended 31 December 2025, as compared with a loss after taxation of HK\$20 million for the previous year.

(II) Unicorn

Unicorn’s sales of own goods and consignment sales for the year ended 31 December 2025 decreased by 2% year-on-year to HK\$1,148 million.

After deducting its operating expenses, Unicorn recorded a loss after taxation of HK\$60 million for the year ended 31 December 2025 (2024: HK\$96 million).

Looking ahead, the business environment of Hong Kong’s retail sector is expected to remain challenging. HIL will continue to streamline its operations and endeavour to control operating expenses. In addition, HIL will continue to closely monitor market trends and adjust its merchandise mix to cater to customers’ ever-changing preferences. These strategies, combined with the continuous expansion of its membership base, are expected to drive improvement in the HIL’s overall performance.

Miramar Hotel and Investment Company, Limited (“Miramar”)

For the year ended 31 December 2025, Miramar's revenue amounted to HK\$2,581.4 million, a decrease of 9.7% against last year. Profit attributable to shareholders decreased by 9.3% year-on-year to HK\$677.5 million. Excluding the post-tax effects of net decrease in the fair value of investment properties, the underlying profit attributable to shareholders decreased by 16.2% year-on-year to HK\$695.6 million.

Hotels and Serviced Apartments Business

During the year, the overall revenue from Miramar's hotel and serviced apartment business amounted to HK\$561.9 million, representing a decrease of 5.9% compared with last year. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to HK\$116.3 million, representing a decrease of 16.9% compared with last year. Miramar deepened its commitment to Muslim-friendly services. Both The Mira Hong Kong and Mira Moon were accredited Level 5 Ratings from CrescentRating. The Mira Hong Kong was honoured with the “Muslim-Friendly Hotel of the Year” recognition at the “Halal in Travel Global Summit 2025” (only two hotels in Hong Kong have received this distinction). Cuisine Cuisine at The Mira Hong Kong has become the only Michelin-recommended halal-friendly Cantonese restaurant in Hong Kong. In addition, both of Miramar's hotels were ranked among the top ten hotels in Hong Kong in the Condé Nast Traveller UK “Readers’ Choice Awards 2025”. Miramar leveraged periods of softer demand to comprehensively enhance guest room facilities through accelerated hotel refurbishments and smart Internet of Things (IoT) upgrades. The project, which began in June 2025, affects the availability of about 10% of rooms each month and is scheduled for full completion in the second half of 2026. During the year, The Mira Hong Kong recorded an average occupancy rate of 88.5%, a decrease of 3.6 percentage points compared to last year; while Mira Moon achieved an average occupancy rate of 93.0%, a decrease of 2.4 percentage points from last year.

Property Rental Business

The revenue from Miramar's property rental business amounted to HK\$772.8 million during the year, while EBITDA amounted to HK\$649.6 million, representing a decrease of 2.3% and 2.2% respectively. Miramar offered competitive leasing solutions to secure longer-term tenancies, thereby stabilising rental income. At the same time, Miramar continued to optimise its tenant mix, increasing the proportion of semi-retail businesses to nearly 60%, which effectively raised the average rent per square foot. During the period, the office portfolio demonstrated outstanding performance with steady growth in both occupancy and rental rates. In the shopping mall segment, the year was a crucial transitional period for optimising the tenant mix. Miramar actively introduced experiential retail, distinctive dining concepts and lifestyle brands, while several key tenants expanded their leased areas during the period. Complementing these efforts, renovations to the street-front shops were successfully completed, imbuing the mall with a refreshed and contemporary appearance. Although some rental income was affected by one-off factors related to tenant handover as part of the tenant mix optimization, the overall occupancy rate and rental levels remained stable when excluding these factors.

Food and Beverage Business

The food and beverage business navigated a challenging operating environment, impacted by the diversion of consumer spending and intensified market competition. During the year, Miramar's food and beverage business recorded revenue of HK\$264.1 million, representing a decrease of approximately 9.1% compared with the previous year. EBITDA for the year was HK\$3.2 million, which included one-off expenses of HK\$6.1 million arising from the write-off, reinstatement, and other costs associated with the closure of two restaurants. Excluding these non-recurring items, EBITDA amounted to HK\$9.3 million.

Travel Business

For the travel business, amid the easing of the post-pandemic tourism surge, operations during the year were affected by a series of external uncertainties. During the year, Miramar's travel business recorded revenue of HK\$982.6 million, representing a decline of 16.7% from the previous year. EBITDA for the year amounted to HK\$35.8 million, a decrease of 64.9% compared with last year.

Associated Companies

The Hong Kong and China Gas Company Limited (“HKCG”)

In 2025, HKCG’s after-tax operating profit and core operating profit were HK\$7,500 million and HK\$6,000 million respectively, representing respective increase of 2% and 4%. After taking into account non-operating gains and losses and changes on revaluation of properties, profit attributable to shareholders reached HK\$5,700 million, at similar level as last year.

Utility Businesses

Hong Kong Gas Business

Residential gas consumption recorded a year-on-year increase of 2.4%. In 2025, HKCG acquired over 19,000 new customers in Hong Kong, bringing the total to 2.6 million. A decline in commercial and industrial gas consumption of 2.6% partially offset the increase in residential gas volumes. Overall domestic gas sales volume in Hong Kong recorded a slight increase of 0.1% in 2025.

To tie in with the HKSAR Government’s Northern Metropolis development plans, HKCG has been investing in the construction of gas infrastructure to ensure the early availability of regional energy supply. Plans for medium- and low-pressure pipeline works were progressively completed in 2025, and by year end gas supply had been successfully initiated. In its ongoing pipeline replacement project at the Tai Po Gas Production Plant, following the work done the previous year, HKCG completed pipeline replacement for another four production furnaces during the year. HKCG’s plan is to replace the relevant pipeline sections of the remaining two furnaces in 2026. Improvements were also made in customer service. During the year, HKCG actively introduced artificial intelligence and large language model technology. With smart systems now fully applied to the customer service hotline, more than 60% of customers’ enquiries being answered via digital channels.

Mainland Gas Business

Including contributions from its subsidiary, Towngas Smart Energy Company Limited (stock code: 1083), HKCG operated a total of 325 city-gas projects across 23 provincial regions on the Chinese mainland and acquired 1.78 million new customers. This brought the total number of customers to 44.27 million. The total gas sales volume of HKCG for the year was 36,350 million cubic metres, which remained stable as compared with 2024.

In 2025, HKCG aligned with national policy by accelerating the promotion of the upstream and downstream natural gas price linkage mechanism for residential customers. 90% of residential customers completed the cost pass-throughs or determined their cost pass-through plans during the year, with all industrial and commercial customers completing the cost pass-throughs. The average dollar margin of city gas was RMB0.54 per cubic meter, representing an increase of RMB0.02 compared with 2024.

HKCG continued to expand its “Gas+” energy services business and focused on energy trusteeship of public institutions and industrial equipment renewal. During the year, this business achieved energy sales volume of 2,870 million kWh (equivalent to approximately 290 million cubic metres of natural gas), driving the sales volume of natural gas of 210 million cubic metres.

In 2025, HKCG signed medium- and long-term procurement contracts with Central State-Owned Oil Enterprises for a total contracted procurement volume of 15,000 million cubic metres. HKCG’s unified gas dispatch volume during the year amounted to 4,640 million cubic metres, accounting for 13% of the total annual gas sales volume, thus saving procurement costs of RMB740 million. The first two new gas wells from the second phase of the underground salt-cavern facility located in Jintan, Jiangsu were commissioned during the year, increasing total storage capacity to nearly 480 million cubic metres. The emergency peak-shaving storage and distribution base (Phase I) in Weiyuan, Sichuan, also officially commenced operation in 2025.

HKCG has carried out 11 low-carbon transition projects in Jiangsu, Zhejiang, Shandong, Sichuan and other provinces, providing an additional gas access volume of 4.5 million cubic metres in 2025 and a total accumulated gas access volume of 34.5 million cubic metres.

Water and Environmental Businesses

HKCG's water and environmental businesses grew steadily during the year, with water sales volume and solid waste treatment volume reaching 1,660 million tonnes (a 0.6% increase year-on-year) and 1.72 million tonnes (a 7% increase year-on-year) respectively. HKCG's two food waste treatment plants, in Suzhou and Tongling, recovered approximately 8,000 tonnes of used cooking oil from food waste throughout the year. This recovered oil is the primary raw material for the production of sustainable aviation fuel ("SAF") by EcoCeres. Beyond SAF, food waste treatment plants produced nearly 10 million cubic metres of biogas that was fed into the city gas pipeline network, reinforcing the economic and environmental value of its city gas projects.

Growth Businesses

Renewable Energy

By the end of 2025, HKCG's renewable energy business covered 25 provinces, autonomous regions and municipalities, serving a stable, high-quality customer base of more than 2,000 industrial customers. New installed capacity of distributed PV increased by 500 MW during the year, with cumulative grid-connected installed capacity reaching 2.8 GW. PV power generation rose 36% to 2,480 million kWh. Commercial and industrial energy storage contracts amounted to 1.041 million kWh, and electricity sales volume reached 8,400 million kWh.

Building on its high-quality portfolio of 128 zero-carbon smart industrial parks, HKCG is contributing to the national dual carbon goals while achieving industry-leading economies of scale and cost advantages. This is further reinforced by greater synergies with the gas business segment through "gas-electricity complementarity, scenario sharing and customer linkage", further unlocking new market growth potential.

To deepen its Assets under Management ("AuM") strategy, HKCG brought in strategic investors to diversify investment risks and foster ecosystem cooperation. During the year, HKCG launched a second and third tranche of its Quasi-REITs, bringing cumulative AuM financing to RMB3,500 million.

Sustainable Aviation Fuel

EcoCeres, incubated by HKCG and in which it remains a strategic shareholder, continued to strengthen its leadership in SAF industry in 2025. Following the start of full-capacity operation at the SAF plant in Zhangjiagang, Jiangsu Province, a new plant in Malaysia was commissioned during the year. This expansion increased the total annual production capacity of renewable fuels from 350,000 tonnes to 770,000 tonnes. EcoCeres also broadened its cooperation with a number of international airlines. Most notably, these included a multi-year SAF supply agreement with British Airways, which is expected to help the airline reduce its lifecycle carbon emissions by approximately 400,000 tonnes.

Green Methanol

Backed by ISCC dual certification and stable production capacity, green methanol produced by the plant in Ordos, Inner Mongolia, has commenced supply operations at major Asian ports. During the year, HKCG established a joint venture, VENEX Holding Company Limited ("VENEX"), with Foran Energy Group Company Limited, simultaneously injecting the Inner Mongolia plant into VENEX to further increase production scale. The VENEX plant will increase annual production capacity to 150,000 tonnes in 2026 and aims to raise capacity to 300,000 tonnes by 2028. A new plant in Foshan, Guangdong will be completed by the end of 2027, with an expected initial production capacity of 200,000 tonnes by 2028. Upon completion, the combined annual production capacity of the two plants – one in the north and one in the south – will reach 500,000 tonnes. The Inner Mongolia plant obtained ISCC dual certification for four consecutive years, and received a Product Carbon Footprint Verification Statement by TÜV SÜD during the year, becoming the first green methanol project to receive this certification. Early in the year, HKCG conducted the first large-scale bunkering of domestically produced green methanol at the Port of Shanghai. In the second half of the year, it also

began supplying large volumes of methanol to two major Singapore-based bunker suppliers – Global Energy and Golden Island.

Hydrogen Energy

HKCG launched Hong Kong's first integrated hydrogen power generator, and provided green electricity for the facilities at the golf competition of the 15th National Games, demonstrating the strong potential of hydrogen energy in temporary power generation scenarios. HKCG has also been progressively conducting a variety of pilot projects, among which power generation at construction sites represents a promising application. HKCG will continue to take up government-approved hydrogen fuel technology pilot projects, including a construction site generator in Shau Kei Wan, where hydrogen will be extracted from the existing town gas network to power site offices. In terms of charging station applications, HKCG signed a cooperation agreement with Hong Kong Science and Technology Parks Corporation, and during the year, jointly initiated the construction of Hong Kong's first public automatic hydrogen EV charging system. HKCG will actively advance this government-approved hydrogen fuel technology pilot project, as well as another trial project utilising hydrogen power for electric vehicle charging at the Towngas headquarters building in North Point.

Extended Businesses

In 2025, HKCG's subsidiary, Towngas Lifestyle, completed its first round of strategic financing and officially launched its Extended Business 2.0 strategy. Under this service-driven household lifestyle manager model, Towngas Lifestyle is replicating its successful consumer experience in cities such as Hong Kong, Yixing, and Hangzhou nationwide.

In Hong Kong, the smart kitchen business launched an interconnected series of smart cooking appliances and premium white goods. HKCG also established its own brand and introduced a one-stop home solution, encompassing kitchens, bathrooms and living rooms. For new public housing units, HKCG developed services such as minimalist renovation and customised furniture. Through 19 self-operated customer centres, outdoor customer service teams and distributors, the business continued to tap into its existing customer base and expand its sales channels, strengthening both sales performance and profitability.

In the Chinese mainland market, the smart kitchen business capitalised on national subsidy policies to expand its presence in the existing market. The Towngas Bauhinia Encounter series products won the Yunding Award - 2025 Aesthetic Design Trend Product Award, and introduced co-branded products with brands such as Noritz, Angel and Robam. Sales from trade-in programmes recorded an 18% year-on-year increase.

In Hong Kong, through its subsidiary, TN Insurance Consultants Limited, HKCG coordinated related businesses across its enterprises to secure more favourable policy terms for customers. On the Chinese mainland, the business strengthened its online operations and optimised its product mix by digitalising over 90% of its business data. The proportion of gas household property insurance increased by nearly 18% during the year, while the average premium per policy recorded steady growth. HKCG also expanded into new internet-based marketing channels and explored the feasibility of introducing an innovative new insurance + service model.

During the year, HKCG refined its "product + platform + service" one-stop home solution. By the end of 2025, the alarm monitoring platform had covered over 70 enterprises, with the performance of home safety solutions growing by 10% year-on-year.

The independently developed Towngas Lifestyle Cloud Platform was selected among the 2025 Top Ten Smart Gas Excellent Application Cases. At the same time, the AIoT platform achieved over 6 million connected devices, and established applications such as AI-powered gas safety inspections and smart customer service.

Hong Kong Ferry (Holdings) Company Limited (“Hong Kong Ferry”)

Hong Kong Ferry’s underlying profit for the year ended 31 December 2025 was HK\$284 million, representing an increase of approximately 80% from the same period last year. Taking into account the fair value change of the investment properties, profit attributable to shareholders for the year ended 31 December 2025 was approximately HK\$335 million, representing an increase of approximately 105% as compared with the same period of 2024.

Property Development and Investment Operations

In 2025, the gross rental income arising from Hong Kong Ferry’s shops, commercial arcades and the youth hostel amounted to approximately HK\$147 million, representing an increase of approximately 17% from the same period last year. As at 31 December 2025, the commercial arcades of Metro6 were fully let. The occupancy rates of the commercial arcade of The Spectacle and Shining Heights were 91% and 81% respectively. The occupancy rates of commercial arcades of Metro Harbour Plaza and Green Code Plaza were 94% and 98% respectively. As regards the joint venture development project “The Royale”, Hong Kong Ferry has already delivered to buyers the 1,748 residential units sold. 34 units remain unsold in the entire project, with 5 residential units, 103 private car parking spaces and 18 motorcycle parking spaces already leased for short-term period. Hong Kong Ferry converted the two-tower residential units of “The Symphonie” into a youth hostel, which is operated by Tung Wah Group of Hospitals and named as “TN Residence”. Commencing from June 2025 Hong Kong Ferry began collecting rental which has been subject to adjustments based on the occupancy rates of the hostel. On 30 September 2025, Hong Kong Ferry completed the acquisition of various shops at Portion A of Ground Floor (with a total gross floor area of approximately 12,700 sq. ft.) and signage areas of Tai Hung Fai (Tsuen Wan) Centre, located at 55 Chung On Street, Tsuen Wan, for rental investment purposes. As of the end of 2025, all shops were leased.

Ferry, Shipyard and Related Operations

Hong Kong Ferry’s ferry, shipyard, and related operations including the dangerous goods vehicular ferry services recorded a loss of approximately HK\$8 million during the year under review. The company successfully applied for a fare increase upon license renewal in January 2024, but recorded a loss due to increased operating expenses and reduced traffic volume. In September 2025, the company applied to the Transport Department for a fare increase again for its dangerous goods vehicular ferry services. During the year, the revenue of Hong Kong Shipyard decreased by 12% compared to 2024. The decline in revenue was attributed to Hong Kong’s recent economic environment. There was a reduction in the number of ships registered in Hong Kong. Shipowners opted for more basic maintenance services and also used the maintenance services in the Mainland.

Medical, Healthcare and Beauty Services

Hong Kong Ferry’s medical, healthcare and beauty services business recorded a loss of approximately HK\$4 million during the year under review, representing a significant reduction of 84% compared the same period last year. Hong Kong Ferry has established spine and pain centres at Mira Place, Tsim Sha Tsui, and Metro Harbour Plaza, Tai Kok Tsui, under the brand “Total HealthCare”. The third branch started trial operations in January 2026 at Tai Hung Fai (Tsuen Wan) Centre. The “AMOUR” medical aesthetic center expanded the leased area at Mira Place, Tsim Sha Tsui, to deliver an elevated experience for its clientele. Hong Kong Ferry established a specialist centre at H Zentre, Tsim Sha Tsui through a joint venture, providing specialised services in cardiology, surgery, orthopedics, plastic surgery and urology. Its performance has been steadily on the rise and recorded a profit. In November 2025, the specialist centre was renamed “Alliance Medical Centre”. Hong Kong Ferry has also partnered with a professional fitness centre with over 20 years of experience in Hong Kong to establish a physiotherapy centre at H Zentre in August 2025. Hong Kong Ferry has launched a medical equipment leasing business since the second half of 2024, jointly purchasing medical equipment with specialists for rental to hospitals and doctors to generate stable income.

Sunlight Real Estate Investment Trust (“Sunlight REIT”)

For the year ended 31 December 2025 (the “Year”), Sunlight REIT recorded total revenue and net property income of HK\$778.1 million and HK\$601.0 million respectively. Distributable income for the Year was HK\$330.2 million.

At 31 December 2025, the occupancy rate of Sunlight REIT’s overall portfolio was 90.6%. The corresponding figures of the office and retail portfolios were 91.2% and 89.6%, with average passing rents of HK\$31.0 per sq. ft. and HK\$63.9 per sq. ft. respectively.

Rental and car park income of Dah Sing Financial Centre for the Year was HK\$149.3 million. Amidst a challenging Grade A office market, this flagship office property demonstrated its resilience by maintaining an occupancy rate of 91.0% at 31 December 2025 with a passing rent of HK\$35.3 per sq. ft.

Rental and car park income of Sheung Shui Centre Shopping Arcade totalled HK\$146.6 million for the Year. Its occupancy rate, which stood at 87.5% at 31 December 2025, was somewhat affected by the vacant space previously occupied by a kindergarten tenant which accounted for 7.5% of its gross rentable area, but only 1.6% of total rental income. Passing rent at the end of the Year was HK\$102.2 per sq.ft.

Metro City Phase I Property recorded rental and car park income for the Year of HK\$123.9 million. Its occupancy rate was 87.1% at 31 December 2025, while passing rent stayed at HK\$53.4 per sq. ft.

During the Year, Sunlight REIT successfully completed the refinancing of borrowings in the amount of HK\$2,980 million on favourable interest margin. Further, two unsecured term loans with an aggregate amount of HK\$1,200 million were concluded subsequent to the end of the Year, which upon drawdown would have fully refinanced all existing loan obligations maturing in 2026.

Looking ahead, the prevailing operating environment presents formidable challenges as well as potentially rewarding investment opportunities. It is imperative to stay vigilant and adaptable, focusing on strategic cost management and portfolio optimization while leveraging technology to navigate the evolving landscape. The manager takes pride in having established a firm foundation for Sunlight REIT, being strengthened by numerous initiatives amidst the ebbs and flows of the market. Unitholders are assured of this defensive and proactive culture in the years to come.

CORPORATE FINANCE

The Group has always adhered to prudent financial management principles. As at 31 December 2025, net debt amounted to HK\$60,219 million (31 December 2024: HK\$67,989 million) and the financial gearing ratio was 18.7% (31 December 2024: 21.1%). In addition, shareholders' loans to the Group, which have always been the Group's stable source of funding, amounted to HK\$80,618 million as at 31 December 2025 (31 December 2024: HK\$66,215 million).

Sustainable finance is integral to the Group's financing strategy and reflects its commitment to sustainable development. The Group's Sustainable Finance Framework covers a wide range of eligible financing transactions where the proceeds are used for furthering development of projects that deliver environmental and social benefits to the community. A Second-Party Opinion was obtained from Moody's Ratings, which assigns Sustainability Quality Score of "SQS2 (Very good)" for the Group's Sustainable Finance Framework. In addition, the Group has received wide recognition for its commitment to environmental protection in its property development projects. Numerous world-class sustainability awards, certifications and professional accreditations have been bestowed by various international and local professional rating agencies. Since 2020, green credit and sustainability loan facilities exceeding HK\$50,000 million have been secured with favourable terms. Among them was a Social Loan, which was the first of its kind ever obtained by a property developer in Hong Kong. Under the terms of the loan, the Group is required to fulfill its social responsibility and realise its broader 2030 Sustainability Vision. The Group's iconic development, "The Henderson", was honoured with the Special Citation on Green Financing by the Hong Kong Green Building Council. The Group's HK\$5,000 million bilateral multi-tranche sustainability-linked loan and social loan, extended by DBS Bank (Hong Kong) Limited and successfully closed during the year, were awarded Best Sustainability Loan – Hong Kong in The Asset Triple A Awards for Sustainable Finance 2026. These achievements underscore the Group's superior credibility and environmental commitment, earning widespread recognition from the international financial and professional communities.

During the year, the Group issued HK\$8,000 million 0.5% guaranteed unsecured convertible bonds due 2030. The convertible bonds, with favourable terms, showcased strong investor confidence in the Group's business. Meanwhile, the Group has secured a substantial amount of banking facilities and the Group's internal funding remains ample.

Sustainability

Cities are ultimately stories about people — how they live, grow, connect, and how they care for one another. The Group believes sustainability is not measured merely by what rises on the skyline, but by the lasting value the Group's developments create for the rhythm of communities in the city.

In 2025, the Group continued to share this journey with Hong Kong, committed to supporting the city and its people with care, compassion and connection through a responsible, long-view approach. Guided by the Group's G.I.V.E. strategies — Green for Planet, Innovation for Future, Value for People, and Endeavour for Community — the Group's work took meaningful form with the much-anticipated unveiling of Central Yards. Designed as a world class landmark, this flagship Central Harbourfront project features an approximately 400-metre groundscraper, making it the longest architecture in Central's history and a unifying spine that will connect the entire precinct. In this spirit, Central Yards will undoubtedly define a key chapter in Henderson Land's future.

The Group's commitment to care and connection extends well beyond the built environment. In 2025, the Group was pleased to be part of Hong Kong's shared moments of joy and solidarity through a wide range of enriching initiatives. These included active participation in the 15th National Games to nurture sports development and well-being among young people, and continued support for the HKSAR Government's Community Living Room initiative. The latter provides welcoming space in underserved neighbourhoods where families facing hardship can find comfort, dignity, and a true sense of belonging.

Environmental stewardship remains an integral part of the Group's people-first approach. In the past year, the Group stayed committed to advancing climate and nature-related risk management as a core element of long-term business resilience. The Group voluntarily adopted the Taskforce on Nature-related Financial Disclosures framework while also enhancing disclosures well beyond mandatory requirements. By integrating these assessments into its risk processes and preparing for future alignment, the Group has sought to exceed industry norms, set higher standards, and drive ongoing improvement. The Group's efforts were recognised through honours such as Asia's Most Sustainable Company of the Year at the Asia Corporate Excellence & Sustainability Awards, Best Developer (Asia) and Best Developer (Hong Kong and Macau) at the PropertyGuru Asia Property Awards 2025 and continued sector leadership in theGRESB Real Estate Assessment, affirming the strength and forward-looking nature of the Group's Environmental, Social, and Governance (ESG) strategy.

Looking ahead, the Group will continue to place people at the heart of decisions and build with care and conviction. Together with the communities the Group serves, the Group will remain committed to shaping a more sustainable and connected future for generations to come.

PROSPECTS

The global economy is currently beset by various uncertainties, notably persistent geopolitical tensions and the volatility of U.S. trade policy. Nevertheless, Hong Kong continues to attract a significant number of enterprises for initial public offerings and capital raising, reflecting its position as an international financial centre. Furthermore, the Government's proactive economic promotion efforts, including the accelerated development of the Northern Metropolis, talent admission policies and the transformation of Hong Kong into an international education hub, are set to inject new impetus into the local economy and provide sustained support for the property market.

During the year, the Group completed an in-situ land exchange for a land lot in Hung Shui Kiu/Ha Tsuen New Development Area. The site will be developed into a residential-cum-commercial project, providing an attributable gross floor area of about 580,000 square feet. In addition, the Group's land bank in the New Territories was approximately 40.5 million square feet, continuing to represent the largest holding among property developers in Hong Kong. There are also various urban redevelopment projects for which the Group has acquired 100% ownership interest or which have met the relevant compulsory sale application threshold. These urban redevelopment projects are expected to provide approximately 1.6 million square feet of attributable gross floor area. The Group's land bank will be sufficient to meet its development needs in the next few years.

As regards "**property sales**", the Group plans to launch eight development projects in Hong Kong for sale in 2026. Together with the unsold stock, a total of about 2,300,000 square feet of residential gross floor area or about 4,700 residential units attributable to the Group, as well as about 180,000 square feet of office/industrial space, are expected to be available for sale in Hong Kong in 2026. At the end of December 2025, attributable sales of Hong Kong and Mainland properties, which had not yet been recognised in the accounts, amounted to approximately HK\$12,784 million in aggregate. Of this, approximately HK\$10,436 million in aggregate is expected to be recognised in the accounts in 2026 upon completion of the relevant developments and handover of the completed units to buyers. After taking into account attributable sales of Hong Kong and Mainland properties in the aggregate amount of HK\$5,039 million from 1 January to 15 March 2026, the amount to be recognised in the accounts in 2026 is expected to further increase to HK\$14,830 million upon completion of the relevant developments and handover of the completed units to buyers.

As regards "**investment properties**", the Group's portfolio of completed investment properties currently comprises an attributable gross floor area of 10.7 million square feet in Hong Kong and 13.8 million square feet in the Mainland. The Henderson, which was honoured as the World's Best Property, is currently 95% leased. Central Yards, which is under construction and progressing well, is set to become another landmark development in Hong Kong's Central Business District. Its Phase 1 shopping and office spaces are scheduled to apply for the Occupation Permit in the fourth quarter of 2026, to be followed by tenant intake in 2027. A financial institution has signed an agreement to lease more than 70%, or 223,000 square feet, of its office and ancillary space. The Group's recurrent rental income is set to increase further.

The "**listed subsidiaries and associates**" provide the Group with another source of recurring income. HKCG, in particular, had 46 million gas customers in Hong Kong and the Mainland at the end of December 2025, covering a market of approximately 130 million people. EcoCeres, an associate of HKCG, commissioned its new sustainable aviation fuel plant in Malaysia at the end of 2025. This expansion increased the total annual production capacity of renewable fuels from 350,000 tonnes to 770,000 tonnes, effectively consolidating its leading market position. Together with the continuous expansion into other growth businesses, HKCG will deliver sustainable returns to the Group.

Founded by the late Dr. Lee Shau Kee in 1976, the Group has grown alongside Hong Kong over the past 50 years. With a wealth of profound experience and financial strength, the Group has established a solid foundation across its three major business sectors (namely, “**property sales**”, “**investment properties**” and “**listed subsidiaries and associates**”). Moving forward, the Group will uphold its 50-year tradition of excellence, creating a vast horizon for the next generation – one that inspires creativity, nurtures aspirations and broadens perspectives.

APPRECIATION

We would like to take this opportunity to extend our appreciation to our fellow directors for their wise counsel, and to thank all our staff for their commitment and hard work throughout the year.

Dr Lee Ka Kit
Chairman

Dr Lee Ka Shing
Chairman

Hong Kong, 23 March 2026

BUSINESS RESULTS

Consolidated Statement of Profit or Loss

for the year ended 31 December 2025

	Note	2025 HK\$ million	2024 HK\$ million
Revenue	3	25,741	25,256
Direct costs		(17,527)	(16,163)
		8,214	9,093
Other net income	4	1,134	3,191
Selling and marketing expenses		(1,483)	(1,406)
Administrative expenses		(2,290)	(2,345)
Profit from operations before changes in fair value of investment properties and investment properties under development		5,575	8,533
Increase/(decrease) in fair value of investment properties and investment properties under development	5	160	(1,514)
Profit from operations after changes in fair value of investment properties and investment properties under development		5,735	7,019
Finance costs	6(a)	(2,444)	(2,331)
Bank interest income		444	452
Net finance costs		(2,000)	(1,879)
Share of profits less losses of associates		2,512	2,413
Share of profits less losses of joint ventures		223	685
Profit before taxation	6	6,470	8,238
Income tax credit/(expense)	7	48	(955)
Profit for the year		6,518	7,283

Consolidated Statement of Profit or Loss

for the year ended 31 December 2025 (continued)

	Note	2025 HK\$ million	2024 HK\$ million
Attributable to:			
Equity shareholders of the Company		5,653	6,296
Non-controlling interests		865	987
Profit for the year		6,518	7,283
Earnings per share based on profit attributable to equity shareholders of the Company (reported earnings per share)			
<i>Basic</i>	9(a)(i)	HK\$1.17	HK\$1.30
<i>Diluted</i>	9(a)(ii)	HK\$1.14	HK\$1.30
Earnings per share excluding the effects of the Group's aggregate attributable share of changes in fair value of investment properties and investment properties under development (net of deferred tax) (underlying earnings per share)			
<i>Basic</i>	9(b)	HK\$1.25	HK\$2.02
<i>Diluted</i>	9(b)	HK\$1.23	HK\$2.02

Details of dividends payable to equity shareholders of the Company are set out in note 8.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	2025 HK\$ million	2024 HK\$ million
Profit for the year	6,518	7,283
Other comprehensive income for the year-net, after tax and reclassification adjustments:		
Items that will not be reclassified to profit or loss:		
- Investments in equity securities designated as financial assets at fair value through other comprehensive income (non-recycling)	34	46
- Share of other comprehensive income of associates and joint ventures	54	9
Items that may be reclassified subsequently to profit or loss:		
- Exchange differences	1,067	(919)
- Cash flow hedges	(171)	(64)
- Share of other comprehensive income of associates and joint ventures	1,412	(1,098)
Other comprehensive income for the year	2,396	(2,026)
Total comprehensive income for the year	8,914	5,257
Attributable to:		
Equity shareholders of the Company	8,012	4,268
Non-controlling interests	902	989
Total comprehensive income for the year	8,914	5,257

Consolidated Statement of Financial Position

at 31 December 2025

		<i>At</i> 31 December 2025	<i>At</i> 31 December 2024
	Note	HK\$ million	HK\$ million
Non-current assets			
Investment properties		276,134	271,874
Other property, plant and equipment		6,192	4,389
Right-of-use assets		833	981
Goodwill		262	262
Trademarks		91	94
Interest in associates		51,435	50,564
Interest in joint ventures		82,630	77,876
Derivative financial instruments		271	514
Other financial assets		4,978	4,611
Deferred tax assets		1,564	1,082
		<hr/> 424,390	<hr/> 412,247
Current assets			
Deposits for acquisition of properties		432	369
Inventories	11	79,621	85,608
Trade and other receivables	12	11,589	14,023
Cash held by stakeholders		1,151	1,074
Cash and bank balances		22,198	17,919
		<hr/> 114,991	<hr/> 118,993
Current liabilities			
Trade and other payables	13	24,528	26,811
Amounts due to related companies		2,023	97
Lease liabilities		277	262
Bank loans		6,534	8,001
Guaranteed notes		2,797	9,585
Tax payable		937	1,055
		<hr/> 37,096	<hr/> 45,811
Net current assets		<hr/> 77,895	<hr/> 73,182
Total assets less current liabilities		<hr/> 502,285	<hr/> 485,429

Consolidated Statement of Financial Position

at 31 December 2025 (continued)

	Note	<i>At</i> 31 December 2025 HK\$ million	<i>At</i> 31 December 2024 HK\$ million
Non-current liabilities			
Bank loans		54,422	54,626
Guaranteed notes		8,001	10,024
Convertible bonds	14	7,120	-
Amount due to a fellow subsidiary		80,618	66,215
Amounts due to related companies		1,520	3,575
Derivative financial instruments		513	996
Lease liabilities		593	757
Provision for reinstatement costs		16	14
Deferred tax liabilities		8,596	8,645
		<hr/> 161,399	<hr/> 144,852
NET ASSETS		<hr/> 340,886	<hr/> 340,577
CAPITAL AND RESERVES			
Share capital		52,345	52,345
Other reserves		270,119	269,802
Total equity attributable to equity shareholders of the Company		<hr/> 322,464	<hr/> 322,147
Non-controlling interests		<hr/> 18,422	<hr/> 18,430
TOTAL EQUITY		<hr/> 340,886	<hr/> 340,577

Notes:

1 Basis of preparation

The financial information relating to the years ended 31 December 2025 and 31 December 2024 included in this preliminary announcement of 2025 annual results do not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622) and will deliver the financial statements for the year ended 31 December 2025 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include reference to any matters to which the auditor drew attention by way of emphasis of matter without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

The statutory financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The statutory financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance (Cap. 622) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The measurement basis used in the preparation of the statutory financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value:

- investments designated as financial assets at fair value through other comprehensive income ("FVOCI");
- investments measured as financial assets at fair value through profit or loss ("FVPL");
- derivative financial instruments; and
- investment properties and certain investment properties under development.

The preparation of the statutory consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2 Changes in accounting policies

(i) Amendments to HKAS which are first effective for the current accounting period

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to the statutory financial statements for the current accounting period. The amendments do not have a material impact on the Group's financial results or financial position as the Group has not entered into foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

(ii) Amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of the statutory consolidated financial statements, the HKICPA has issued a number of new or amended standards which are not yet effective for the financial year ended 31 December 2025 and which have not been adopted in the consolidated financial statements. These developments include the following which may be relevant to the Group:

	Effective for annual periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards-Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements, except for HKFRS 18, where the presentation and disclosure of the consolidated financial statements are expected to change:

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1, *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

3 Revenue

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

The major items are analysed as follows:

	2025	2024
	HK\$ million	HK\$ million
Property development (including sales of properties)	14,639	12,506
Rental income	6,764	6,994
Department stores and supermarket-cum-stores operations (<i>note (i)</i>)	1,461	1,548
Hotel room operation	318	331
Other businesses	2,559	3,877
Total (note 10(b))	25,741	25,256

Note:

- (i) Including commission income earned from consignment and concessionaire counters of the department stores operation, and the commission income earned from consignment counters of the supermarket-cum-stores operation, in the aggregate amount of HK\$332 million for the year ended 31 December 2025 (2024: HK\$373 million).

In accordance with HKFRS 15, *Revenue from contracts with customers*, (i) revenue from sales of properties and sales of goods from department stores and supermarket-cum-stores operations (including the commission income from consignment and concessionaire counters) are recognised at a point in time; and (ii) revenue from hotel room operation and promotion income from department stores and supermarket-cum-stores operations are recognised over time. Rental income recognised from HKFRS 16, *Leases*, is categorically classified as revenue from other sources. In respect of the Group's other businesses, revenue from construction, property management, asset management, project management, security guard and cleaning services in the aggregate amount of HK\$923 million (2024: HK\$2,053 million) is recognised over time while the remaining is recognised at a point in time.

At 31 December 2025, the cumulative aggregate amount of revenue expected to be recognised in the consolidated statement of profit or loss in the future from pre-completion sales contracts entered into in relation to the Group's properties held for/under development for sale and completed properties for sale held by the Group's subsidiaries, which are pending assignment in Hong Kong and Chinese Mainland, amounted to HK\$10,915 million (2024: HK\$8,621 million) and which will be recognised when the pre-sold properties are assigned to the customers, in relation to which an amount of HK\$8,890 million is expected to occur within one year and an amount of HK\$2,025 million is expected to occur within one to two years (2024: in relation to which an amount of HK\$8,212 million is expected to occur within one year and an amount of HK\$409 million is expected to occur within one to two years).

4 Other net income

	2025 HK\$ million	2024 HK\$ million
Net gain/(loss) on transfer of a subsidiary regarding investment properties (<i>note (i)</i>)	381	(2)
Net gain on disposal of investment properties	8	93
Aggregate net gain on sales of property interests (<i>note 10(a)</i>)	389	91
Net gain on transfers of subsidiaries regarding leasehold land held for development for sale and properties held for development for sale	203	-
Net fair value gain on investments measured as financial assets at FVPL	44	43
Net fair value gain/(loss) on derivative financial instruments at FVPL:		
- Interest rate swap contracts, cross currency swap contracts, cross currency interest rate swap contracts and foreign exchange forward contracts (for which no hedge accounting was applied during the year)	67	(71)
Impairment loss on trade debtors, net (<i>note 10(c)</i>)	(11)	(36)
Provision on inventories, net (<i>note 10(a)</i>)	(94)	(193)
Exchange loss, net (<i>note 6(d)</i>)	(37)	(60)
Gains on land resumptions (<i>note (ii)</i>)	557	3,421
Others	16	(4)
	1,134	3,191

4 Other net income (continued)

Notes:

- (i) During the year ended 31 December 2025, the Group transferred to an independent third party its entire interest in and shareholder's loan to a subsidiary in which the Group has an indirect 65% interest, for a cash consideration of HK\$1,075 million. The sole assets of such subsidiary comprise two property units held as investment properties at Tower 1, The Legacy(天御) Phase 2, No. 8 Castle Road, Hong Kong. The gain on transfer attributable to reported profit amounted to HK\$381 million and after deducting non-controlling interests' attributable share of the net gain on transfer of a subsidiary attributable to reported profit in the amount of HK\$133 million, and adding back the Group's attributable share of the cumulative fair value gain on the investment properties disposed of in the amount of HK\$234 million, the Group recognised its share of gain on transfer attributable to underlying profit in the amount of HK\$482 million during the year ended 31 December 2025. Including the Group's share of gain on transfer of carparking spaces of The Legacy Phase 1 to the independent third parties attributable to underlying profit in the amount of HK\$16 million, the Group's share of gain on transfer attributable to underlying profit of property interests relating to the portion of The Legacy project which is classified as investment property amounted to HK\$498 million for the year ended 31 December 2025.

During the corresponding year ended 31 December 2024, the amount comprised the loss attributable to reported profit in relation to the Group's transfer to an independent third party of its interest in the entire issued share capital of a wholly-owned subsidiary which owns "Harbour East", being an investment property at No. 218 Electric Road, North Point, Hong Kong, and the related shareholder's loan pursuant to an agreement entered into between the parties on 10 December 2023. The transfer was completed on 28 January 2024. The loss on transfer attributable to reported profit amounted to HK\$2 million and taking into account the cumulative fair value gain on the investment property disposed of in the amount of HK\$1,409 million, the Group recognised a gain on transfer attributable to underlying profit in the amount of HK\$1,407 million during the corresponding year ended 31 December 2024.

- (ii) During the year ended 31 December 2025, the amount related to the aggregate pre-tax gains attributable to reported profit of HK\$557 million resulting from the resumptions by the HKSAR Government of certain land lots held by the Group's subsidiaries in Yuen Long South, Kam Tin, San Tin, Hung Shui Kiu and the land sites for the construction of the Northern Link Main Line, the New Territories, Hong Kong.

Including the Group's attributable share of pre-tax gain of HK\$42 million resulting from the resumption of certain land lots in San Tin and Hung Shui Kiu, the New Territories, Hong Kong held by certain joint ventures of the Group, the Group's share of pre-tax gains on land resumptions attributable to reported profit amounted in aggregate to HK\$599 million during the year ended 31 December 2025 (see note 10(a)).

During the corresponding year ended 31 December 2024, the amount comprised the aggregate pre-tax gains attributable to reported profit of HK\$3,410 million resulting from the resumptions by the HKSAR Government in April 2024 of certain land lots of approximately 1.45 million square feet held by the Group's subsidiaries in Fanling North and Kwu Tung North New Development Areas, and during the period from July to December 2024 of certain land lots of approximately 3.62 million square feet held by the Group's subsidiaries in Hung Shui Kiu/ Ha Tsuen New Development Area, both located in the New Territories, Hong Kong, for an aggregate cash compensation of approximately HK\$5,900 million, and the pre-tax gains of HK\$11 million resulting from the resumption of certain other land lots in the New Territories held by the Group's subsidiaries.

Including the Group's attributable share of pre-tax loss of HK\$101 million resulting from the resumption of certain land lots in Hung Shui Kiu/ Ha Tsuen New Development Area measuring approximately 0.23 million square feet attributable to the Group held by a joint venture, the Group's share of pre-tax gains on land resumptions attributable to reported profit amounted in aggregate to HK\$3,320 million during the corresponding year ended 31 December 2024 (see note 10(a)).

5 Increase/(decrease) in fair value of investment properties and investment properties under development

The Group's investment properties and investment properties under development were revalued at 31 December 2025 by Cushman & Wakefield Limited, a firm of professional surveyors who have among their staff Members of The Hong Kong Institute of Surveyors with recent experience in the location and category of the properties being valued, on a market value basis.

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

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

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

As a result, a net fair value gain on the Group's investment properties and investment properties under development in Hong Kong and Chinese Mainland (after deducting non-controlling interests' attributable share and deferred tax), excluding those held by associates and joint ventures, in the amount of HK\$158 million (2024: a net fair value loss on the Group's investment properties and investment properties under development in Hong Kong and Chinese Mainland (after deducting non-controlling interests' attributable share and deferred tax), excluding those held by associates and joint ventures, in the amount of HK\$1,833 million) has been recognised in the consolidated statement of profit or loss for the year (see note 9(b)).

In aggregate, the Group's attributable share of the net fair value losses (net of deferred tax) on investment properties and investment properties under development held by subsidiaries, associates and joint ventures for the year ended 31 December 2025 amounted to HK\$135 million (2024: HK\$2,022 million).

5 Increase/(decrease) in fair value of investment properties and investment properties under development (continued)

A reconciliation of the abovementioned figures is as follows:

	For the year ended 31 December 2025		
	Hong Kong	Chinese Mainland	Total
	HK\$ million	HK\$ million	HK\$ million
Fair value gain/(loss) on investment properties and investment properties under development held by			
- subsidiaries (before deducting non-controlling interests' attributable share and deferred tax)	1,572	(1,412)	160
Add/(Less) :			
Deferred tax	-	328	328
Non-controlling interests' attributable share of the net fair value gain (net of deferred tax)	(324)	(6)	(330)
(after deducting non-controlling interests' attributable share and deferred tax) (note 9(b))	1,248	(1,090)	158
- associates (Group's attributable share) (notes 9(b) and 10(a)(iii))	(190)	1	(189)
- joint ventures (Group's attributable share) (notes 9(b) and 10(a)(iv))	(116)	12	(104)
	942	(1,077)	(135)

5 Increase/(decrease) in fair value of investment properties and investment properties under development (continued)

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

For the year ended 31 December 2024

	Hong Kong HK\$ million	Chinese Mainland HK\$ million	Total HK\$ million
Fair value (loss)/gain on investment properties and investment properties under development held by			
- subsidiaries (before deducting non-controlling interests' attributable share and deferred tax)	(351)	(1,163)	(1,514)
Add/(Less) :			
Deferred tax	-	267	267
Non-controlling interests' attributable share of the net fair value gain (net of deferred tax)	(578)	(8)	(586)
(after deducting non-controlling interests' attributable share and deferred tax) (note 9(b))	(929)	(904)	(1,833)
- associates (Group's attributable share) (notes 9(b) and 10(a)(iii))	(208)	-	(208)
- joint ventures (Group's attributable share) (notes 9(b) and 10(a)(iv))	193	(174)	19
	(944)	(1,078)	(2,022)

6 Profit before taxation

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

	2025	2024
	HK\$ million	HK\$ million
(a) Finance costs:		
Bank loans interest	2,378	2,765
Interest on guaranteed notes	479	812
Interest on convertible bonds (at effective interest rate) (note 14)	102	-
Interest on other loans	2,323	3,126
Finance cost on lease liabilities	35	40
Other borrowing costs	139	141
	<u>5,456</u>	<u>6,884</u>
Less: Amount capitalised (note)	<u>(3,012)</u>	<u>(4,553)</u>
Finance costs (note 10(a))	<u>2,444</u>	<u>2,331</u>
	<u>192</u>	<u>209</u>
(b) Directors' emoluments		
(c) Staff costs (other than directors' emoluments):		
Salaries, wages and other benefits	3,108	3,059
Contributions to defined contribution retirement plans	124	124
	<u>3,232</u>	<u>3,183</u>

Note: The borrowing costs have been capitalised at weighted average interest rates based on the principal amounts of the Group's bank loans, guaranteed notes, convertible bonds and other loans during the period under which interest capitalisation was applicable, ranging from 3.09% to 4.30% (2024: ranging from 3.31% to 5.88%) per annum.

6 Profit before taxation (continued)

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

	2025	2024
	HK\$ million	HK\$ million
(d) Other items:		
Net foreign exchange loss/(gain)	895	(546)
Cash flow hedges: net foreign exchange (gain)/loss reclassified from equity	(713)	335
Amount of exchange (loss)/gain capitalised	(145)	271
Exchange loss, net (note 4)	37	60
Amortisation of trademarks	3	4
Depreciation		
- on other property, plant and equipment	177	190
- on right-of-use assets	289	297
	469	491
	(note 10(c))	(note 10(c))
Cost of sales		
- properties for sale	12,060	9,463
- trading stocks and consumable stores	988	923
Auditors' remuneration		
- audit services	23	24
- non-audit services	10	8
Expenses relating to short-term leases	9	17
Rentals receivable from investment properties less direct outgoings of HK\$2,054 million (2024: HK\$1,966 million) (note (i))	(4,557)	(4,880)
Dividend income from investments designated as financial assets at FVOCI (non-recycling) and measured as financial assets at FVPL (note (ii))		
- listed	(12)	(25)
- unlisted	(8)	(5)

Notes:

- (i) The rental income from investment properties included contingent rental income of HK\$56 million (2024: HK\$61 million).
- (ii) During the year ended 31 December 2025, dividend income of HK\$11 million related to investments designated as financial assets at FVOCI (non-recycling) held at 31 December 2025 (2024: dividend income of HK\$19 million related to investments designated as financial assets at FVOCI (non-recycling) held at 31 December 2024).

7 Income tax

Income tax in the consolidated statement of profit or loss represents:

	2025	2024
	HK\$ million	HK\$ million
Current tax – Provision for Hong Kong Profits Tax		
Provision for the year	394	727
(Over)/under-provision in respect of prior years	(12)	224
	<u>382</u>	<u>951</u>
Current tax – Provision for taxation outside Hong Kong		
Provision for the year	230	309
(Over)/under-provision in respect of prior years	(4)	3
	<u>226</u>	<u>312</u>
Current tax – Provision for Land Appreciation Tax		
Provision for the year	9	44
Over-provision in respect of prior years	-	(54)
	<u>9</u>	<u>(10)</u>
Deferred tax		
Origination and reversal of temporary differences	(665)	(298)
	<u>(665)</u>	<u>(298)</u>
Income tax (credit)/expense	<u>(48)</u>	<u>955</u>

Provision for Hong Kong Profits Tax has been made at 16.5% (2024: 16.5%) on the estimated assessable profits for the year, taking into account a one-off reduction of 100% (2024: 100%) of the tax payable for the year of assessment 2024/25 subject to a ceiling of HK\$1,500 (2023/24: HK\$3,000) for each business allowed by the Inland Revenue Department of the HKSAR Government.

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

Land Appreciation Tax is levied on properties in Chinese Mainland developed by the Group for sale, at progressive rates ranging from 30% to 60% (2024: 30% to 60%) on the appreciation of land value, which under the applicable regulations is calculated based on the revenue from sale of properties less deductible expenditure including lease charges of land use rights, borrowing costs and property development expenditure.

8 Dividends

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

	<i>2025</i> HK\$ million	<i>2024</i> HK\$ million
Interim dividend declared and paid of HK\$0.50 (2024: HK\$0.50) per share	2,421	2,421
Final dividend proposed after the end of the reporting period of HK\$0.76 (2024: HK\$1.30) per share	3,679	6,294
	6,100	8,715

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

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

	<i>2025</i> HK\$ million	<i>2024</i> HK\$ million
Final dividend in respect of the previous financial year, approved and paid during the year of HK\$1.30 (2024: HK\$1.30) per share	6,294	6,294

9 Earnings per share

(a) Reported earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to equity shareholders of the Company of HK\$5,653 million (2024: HK\$6,296 million) and the weighted average number of 4,841 million ordinary shares (2024: 4,841 million ordinary shares) in issue during the year.

(ii) Diluted earnings per share

Diluted earnings per share for the year ended 31 December 2025 is calculated by dividing the consolidated profit attributable to equity shareholders of the Company of HK\$5,653 million (in relation to which no interest expenses on the Bonds (as defined and referred to in note 14) are adjusted for, as they are fully capitalised as the cost of an investment property under development of the Group during the year) by the diluted weighted average number of 4,946 million ordinary shares after adjusting for the effect of full conversion of the Bonds which would result in the issuance of an aggregate of 105 million ordinary shares, based on the issuance date of the Bonds of 16 July 2025 and which has been taken into consideration in the weighted average calculation.

Diluted earnings per share were the same as the basic earnings per share for the corresponding year ended 31 December 2024 as there were no dilutive potential ordinary shares in existence during that year.

9 Earnings per share (continued)

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are additionally calculated based on the consolidated profit attributable to equity shareholders of the Company after excluding the effects of changes in fair value of investment properties and investment properties under development (“Underlying Profit”) of HK\$6,063 million (2024: HK\$9,774 million). A reconciliation of profit is as follows:

	2025	<i>2024</i>
	HK\$ million	HK\$ million
Profit attributable to equity shareholders of the Company	5,653	6,296
Fair value (gain)/loss of investment properties and investment properties under development during the year (after deducting non-controlling interests’ attributable share and deferred tax) (note 5)	(158)	1,833
Share of fair value loss/(gain) of investment properties (net of deferred tax) during the year:		
– associates (note 5)	189	208
– joint ventures (note 5)	104	(19)
The Group’s attributable share of the cumulative fair value gain of investment properties disposed of during the year, net of tax:		
– subsidiaries	275	1,454
– associates and joint ventures	-	2
Underlying Profit	6,063	9,774
Basic underlying earnings per share, based on the weighted average number of ordinary shares in issue during the year (note 9(a)(i))	HK\$1.25	HK\$2.02
Diluted underlying earnings per share, based on the diluted weighted average number of ordinary shares (note 9(a)(ii))	HK\$1.23	HK\$2.02

10 Segment reporting

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

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

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

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

(a) Results of reportable segments

Information regarding the Group's and its share of associates and joint ventures on reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 31 December 2024 is set out below.

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures		Consolidated		Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue	Segment results	Share of revenue	Share of segment results	Combined revenue	segment results	Revenue	Segment results	Combined revenue	segment results
	(note (i)) HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
For the year ended 31 December 2025										
Property development										
Hong Kong	13,504	1,630	2,019	83	15,523	1,713	(311)	(147)	15,212	1,566
Chinese Mainland	1,135	(61)	2,291	(189)	3,426	(250)	-	(3)	3,426	(253)
	<u>14,639</u>	<u>1,569</u>	<u>4,310</u>	<u>(106)</u>	<u>18,949</u>	<u>1,463</u>	<u>(311)</u>	<u>(150)</u>	<u>18,638</u>	<u>1,313</u>
Property leasing										
Hong Kong	5,002	3,457	2,287	1,730	7,289	5,187	(373)	(315)	6,916	4,872
Chinese Mainland	1,762	1,309	86	11	1,848	1,320	(22)	(16)	1,826	1,304
	<u>6,764</u>	<u>4,766</u>	<u>2,373</u>	<u>1,741</u>	<u>9,137</u>	<u>6,507</u>	<u>(395)</u>	<u>(331)</u>	<u>8,742</u>	<u>6,176</u>
	(note (ii))									
Department stores and supermarket-cum stores operations										
-sale of own goods	1,185	(62)	-	-	1,185	(62)	(362)	27	823	(35)
-rental of consignment and concessionaire counters	276	119	-	-	276	119	(85)	(12)	191	107
	<u>1,461</u>	<u>57</u>	<u>-</u>	<u>-</u>	<u>1,461</u>	<u>57</u>	<u>(447)</u>	<u>15</u>	<u>1,014</u>	<u>72</u>
Hotel room operation	318	79	297	97	615	176	(159)	(39)	456	137
Other businesses	2,559	(47)	372	184	2,931	137	(773)	60	2,158	197
	<u>25,741</u>	<u>6,424</u>	<u>7,352</u>	<u>1,916</u>	<u>33,093</u>	<u>8,340</u>	<u>(2,085)</u>	<u>(445)</u>	<u>31,008</u>	<u>7,895</u>
Utility and energy	-	-	35,116	3,521	35,116	3,521	-	-	35,116	3,521
	<u>25,741</u>	<u>6,424</u>	<u>42,468</u>	<u>5,437</u>	<u>68,209</u>	<u>11,861</u>	<u>(2,085)</u>	<u>(445)</u>	<u>66,124</u>	<u>11,416</u>

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures		Consolidated		Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue (note (i)) HK\$ million	Segment results HK\$ million	Share of revenue HK\$ million	Share of segment results HK\$ million	Combined revenue HK\$ million	segment results HK\$ million	Revenue HK\$ million	Segment results HK\$ million	Combined revenue HK\$ million	segment results HK\$ million
For the year ended 31 December 2025 (continued)										
Provision on inventories, net	(note 4)	(94)		(62)		(156)		-		(156)
Sales of property interests (note 2)	(note 4)	389		-		389		(136)		253
Unallocated head office and corporate expenses, net		(1,144)		(22)		(1,166)		1		(1,165)
Profit from operations		5,575		5,353		10,928		(580)		10,348
Increase/(decrease) in fair value of investment properties and investment properties under development		160		(291)		(131)		(333)		(464)
Finance costs	(note 6(a))	(2,444)		(1,342)		(3,786)		97		(3,689)
Bank interest income		444		108		552		(94)		458
Net finance costs		(2,000)		(1,234)		(3,234)		3		(3,231)
Profit before taxation		3,735		3,828		7,563		(910)		6,653
Income tax credit/(expense)		48		(1,093)		(1,045)		45		(1,000)
Profit for the year		3,783		2,735		6,518		(865)		5,653

Notes:

(1) The revenue and segment results for the year ended 31 December 2025 related to the sale of leasehold land, interest income from mortgage loans and interest income from property development joint ventures (of which revenue in the amounts of HK\$3 million, HK\$149 million and HK\$Nil respectively and segment profit in the amounts of HK\$1 million, HK\$134 million and HK\$Nil respectively) are classified under the "Property development" segment. The pre-tax profit contribution from the property development segment in Hong Kong for the year ended 31 December 2025 also included the Group's share of pre-tax gains attributable to reported profit in the aggregate amount of HK\$599 million upon the resurreptions by the HKSAR Government of the Group's leasehold lands during the year ended 31 December 2025 (note 4(ii)).

(2) The Group's attributable share of the realised cumulative fair value gain of investment properties disposed of during the year ended 31 December 2025 amounted to HK\$275 million (note 9(b)). Adding to it the Group's share of net gain attributable to reported profit on disposal of investment properties of HK\$253 million (see above) for the year ended 31 December 2025, the Group's share of the realised gain from the sales of property interests attributable to underlying profit amounted to HK\$528 million during the year ended 31 December 2025.

10 Segment reporting (continued)**(a) Results of reportable segments (continued)**

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

	Property development HK\$ million	Property leasing HK\$ million	Hotel room operation HK\$ million	Other businesses HK\$ million	Sub-total HK\$ million	Utility and energy HK\$ million	Total HK\$ million
For the year ended 31 December 2025							
Share of profits less losses of associates <i>(note (iii))</i>							
- Material listed associate The Hong Kong and China Gas Company Limited	-	145	10	(739)	(584)	2,946	2,362
- Other listed associates and unlisted associates	47	(40)	-	143	150	-	150
	47	105	10	(596)	(434)	2,946	2,512
Share of profits less losses of joint ventures <i>(note (iv))</i>	(426)	821	44	(216)	223	-	223
	(379)	926	54	(812)	(211)	2,946	2,735

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures		Consolidated		Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue (note (i)) HK\$ million	Segment results HK\$ million	Share of revenue HK\$ million	Share of segment results HK\$ million	Combined revenue HK\$ million	segment results HK\$ million	Revenue HK\$ million	Segment results HK\$ million	Combined revenue HK\$ million (note 1)	segment results HK\$ million (note 1)
For the year ended 31 December 2024										
Property development										
Hong Kong	11,692	4,808	679	(102)	12,371	4,706	(48)	(59)	12,323	4,647
Chinese Mainland	814	(13)	7,411	1,002	8,225	989	-	(4)	8,225	985
	<u>12,506</u>	<u>4,795</u>	<u>8,090</u>	<u>900</u>	<u>20,596</u>	<u>5,695</u>	<u>(48)</u>	<u>(63)</u>	<u>20,548</u>	<u>5,632</u>
Property leasing										
Hong Kong	4,953	3,498	2,274	1,741	7,227	5,239	(385)	(323)	6,842	4,916
Chinese Mainland	2,041	1,574	84	32	2,125	1,606	(25)	(15)	2,100	1,591
	<u>6,994</u>	<u>5,072</u>	<u>2,358</u>	<u>1,773</u>	<u>9,352</u>	<u>6,845</u>	<u>(410)</u>	<u>(338)</u>	<u>8,942</u>	<u>6,507</u>
Department stores and supermarket-cum stores operations										
-sale of own goods	1,230	(75)	-	-	1,230	(75)	(374)	39	856	(36)
-rental of consignment and concessionaire counters	318	138	-	-	318	138	(98)	(6)	220	132
	<u>1,548</u>	<u>63</u>	<u>-</u>	<u>-</u>	<u>1,548</u>	<u>63</u>	<u>(472)</u>	<u>33</u>	<u>1,076</u>	<u>96</u>
Hotel room operation	331	91	261	71	592	162	(165)	(47)	427	115
Other businesses	3,877	42	321	256	4,198	298	(914)	3	3,284	301
	<u>25,256</u>	<u>10,063</u>	<u>11,030</u>	<u>3,000</u>	<u>36,286</u>	<u>13,063</u>	<u>(2,009)</u>	<u>(412)</u>	<u>34,277</u>	<u>12,651</u>
Utility and energy	-	-	34,147	3,517	34,147	3,517	-	-	34,147	3,517
	<u>25,256</u>	<u>10,063</u>	<u>45,177</u>	<u>6,517</u>	<u>70,433</u>	<u>16,580</u>	<u>(2,009)</u>	<u>(412)</u>	<u>68,424</u>	<u>16,168</u>

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures		Consolidated		Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue (note (i)) HK\$ million	Segment results HK\$ million	Share of revenue HK\$ million	Share of segment results HK\$ million	Combined revenue HK\$ million	segment results HK\$ million	Revenue HK\$ million	Segment results HK\$ million	Combined revenue HK\$ million	segment results HK\$ million
For the year ended 31 December 2024 (continued)										
Provision on inventories, net	(note 4)	(193)		(131)		(324)		-		(324)
Sales of property interests (note 2)	(note 4)	91		1		92		-		92
Unallocated head office and corporate expenses, net		(1,428)		(76)		(1,504)		6		(1,498)
Profit from operations		8,533		6,311		14,844		(406)		14,438
Decrease in fair value of investment properties and investment properties under development		(1,514)		(206)		(1,720)		(588)		(2,308)
Finance costs	(note 6(a))	(2,331)		(1,558)		(3,889)		102		(3,787)
Bank interest income		452		192		644		(132)		512
Net finance costs		(1,879)		(1,366)		(3,245)		(30)		(3,275)
Profit before taxation		5,140		4,739		9,879		(1,024)		8,855
Income tax expense		(955)		(1,641)		(2,596)		37		(2,559)
Profit for the year		4,185		3,098		7,283		(987)		6,296

Notes:

- (1) The revenue and segment results for the corresponding year ended 31 December 2024 related to the sale of leasehold land, interest income from mortgage loans and interest income from property development joint ventures (of which revenue in the amounts of HK\$Nil, HK\$203 million and HK\$78 million respectively and segment profit in the amounts of HK\$Nil, HK\$176 million and HK\$78 million respectively) are classified under the "Property development" segment. The pre-tax profit contribution from the property development segment in Hong Kong for the corresponding year ended 31 December 2024 also included the Group's share of pre-tax gains attributable to reported profit in the aggregate amount of HK\$3,320 million upon the resurreptions by the HKSAR Government of the Group's leasehold lands during the corresponding year ended 31 December 2024 (note 4(ii)).
- (2) The Group's attributable share of the realised cumulative fair value gain of investment properties disposed of during the corresponding year ended 31 December 2024 amounted to HK\$1,456 million (note 9(b)). Adding to it the Group's share of net gain attributable to reported profit on disposal of investment properties of HK\$92 million (see above) for the corresponding year ended 31 December 2024, the Group's share of the realised gain from the sales of property interests attributable to underlying profit amounted to HK\$1,548 million during the corresponding year ended 31 December 2024.

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

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

	Property development HK\$ million	Property leasing HK\$ million	Hotel room operation HK\$ million	Other businesses HK\$ million	Sub-total HK\$ million	Utility and energy HK\$ million	Total HK\$ million
For the year ended 31 December 2024							
Share of profits less losses of associates <i>(note (iii))</i>							
- Material listed associate The Hong Kong and China Gas Company Limited	-	165	5	(753)	(583)	2,954	2,371
- Other listed associates and unlisted associates	(18)	(87)	-	147	42	-	42
	(18)	78	5	(606)	(541)	2,954	2,413
Share of profits less losses of joint ventures <i>(note (iv))</i>							
	(37)	859	18	(155)	685	-	685
	(55)	937	23	(761)	144	2,954	3,098

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

Notes:

- (i) *The revenue figures above are arrived at after the elimination of inter-segment revenues, in the amounts of HK\$408 million (2024: HK\$455 million) and HK\$2,542 million (2024: HK\$2,757 million) in relation to the reportable segments under “Property leasing” and “Others”, respectively.*
- (ii) *Revenue for the “Property leasing” segment comprised rental income of HK\$5,789 million (2024: HK\$6,055 million) and rental-related income of HK\$975 million (2024: HK\$939 million), which in aggregate amounted to HK\$6,764 million for the year (2024: HK\$6,994 million) (see note 3).*
- (iii) *The Group’s share of profits less losses of associates contributed from the “Property leasing” segment during the year of HK\$105 million (2024: HK\$78 million) included the Group’s attributable share of net decrease in fair value of investment properties (net of deferred tax) during the year of HK\$189 million (2024: HK\$208 million) (see note 5).*

The Group’s share of losses less profits of associates contributed from the “Other businesses” segment during the year of HK\$596 million (2024: HK\$606 million) included the Group’s attributable share of profit after tax from hotel management (other than hotel room operation) during the year of HK\$3 million (2024: HK\$2 million).

- (iv) *The Group’s share of profits less losses of joint ventures contributed from the “Property leasing” segment during the year of HK\$821 million (2024: HK\$859 million) included the Group’s attributable share of net decrease in fair value of investment properties (net of deferred tax) during the year of HK\$104 million (2024: attributable share of net increase in fair value of investment properties (net of deferred tax) of HK\$19 million) (see note 5).*

The Group’s share of losses less profits of joint ventures contributed from the “Other businesses” segment during the year of HK\$216 million (2024: HK\$155 million) included the Group’s attributable share of profit after tax contributed from hotel management (other than hotel room operation) during the year of HK\$9 million (2024: HK\$7 million).

10 Segment reporting (continued)

(b) Geographical information

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

	Revenue from external customers		Specified non-current assets	
	For the year ended 31 December		At 31 December	
	2025 HK\$ million	2024 HK\$ million	2025 HK\$ million	2024 HK\$ million
Hong Kong	22,342	21,904	349,941	338,042
Chinese Mainland	3,399	3,352	67,597	67,962
The United Kingdom	-	-	39	36
	<u>25,741</u>	<u>25,256</u>	<u>417,577</u>	<u>406,040</u>
	(note 3)	(note 3)		

(c) Other segment information

	Depreciation and amortisation		Impairment loss on trade debtors, net	
	For the year ended 31 December		For the year ended 31 December	
	2025 HK\$ million	2024 HK\$ million	2025 HK\$ million	2024 HK\$ million
Property development	49	53	11	27
Property leasing	28	26	-	9
Department stores and supermarket-cum-stores operations				
-sale of own goods	131	151	-	-
-rental of consignment and concessionaire counters	6	7	-	-
Hotel room operation	74	75	-	-
Other businesses	181	179	-	-
	<u>469</u>	<u>491</u>	<u>11</u>	<u>36</u>
	(note 6(d))	(note 6(d))	(note 4)	(note 4)

11 Inventories

	<i>2025</i> HK\$ million	<i>2024</i> HK\$ million
Property development		
Leasehold land held for development for sale	9,530	9,495
Properties held for/under development for sale	35,844	42,281
Completed properties for sale	34,126	33,693
	79,500	85,469
Other operations		
Trading stocks and consumable stores	121	139
	79,621	85,608

12 Trade and other receivables

	2025	2024
	HK\$ million	HK\$ million
(i) Debtors and current receivables		
Trade receivables	293	310
Instalments receivable	82	103
Sub-total : Trade debtors	375	413
Other debtors	5,045	5,692
Prepayments and deposits	3,661	4,208
Gross amount due from customers for contract work ^(*)	14	15
Amounts due from associates	29	27
Amounts due from joint ventures	36	203
	<u>9,160</u>	<u>10,558</u>
(ii) Other current financial assets		
Loans receivable	1,273	2,557
Financial assets measured at FVPL	922	851
Derivative financial instruments	234	57
	<u>2,429</u>	<u>3,465</u>
	<u>11,589</u>	<u>14,023</u>

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

Included in other debtors is an amount receivable of HK\$1,864 million (2024: HK\$1,864 million) which was overdue at 31 December 2025, but which is pledged against certain collaterals provided by the debtor.

Loans receivable, of which HK\$1,163 million (2024: HK\$795 million) are secured and interest-bearing at interest rates of 5.5% and Hong Kong Interbank Offered Rate ("HIBOR") plus 2.25% (2024: ranging from 3.8% to 5.5% and HIBOR plus 2.25%) per annum, and HK\$110 million (2024: HK\$1,762 million) are unsecured and interest-bearing at interest rate of 6.0% (2024: interest rates ranging from 6.0% to 9.0%) per annum, are both expected to be recovered within one year from the end of the reporting period, and were both not past due at 31 December 2025 and 31 December 2024.

12 Trade and other receivables (continued)

Typical payment terms which impact on the amount of contract assets recognised are as follows:

Gross amount due from customers for contract work

The Group's construction contracts include payment schedules which require staged payments over the construction period once certain milestones are reached as certified by architects' certificates. At 31 December 2025 and 31 December 2024, the Group did not have any construction contract and the gross amounts due from customers for contract work at 31 December 2025 and 31 December 2024 mainly related to certain construction contracts for agreed retention periods which amounts were included in contract assets until the end of the retention periods as the Group's entitlement to the final payment was conditional on the Group's construction works satisfactorily passing inspection.

All of the trade and other receivables are expected to be recovered or recognised as expense within one year except for various deposits, prepayments and other debtors of HK\$4,177 million (2024: HK\$4,185 million) which are expected to be recovered after more than one year from the end of the reporting period.

The amounts due from associates and joint ventures at 31 December 2025 and 31 December 2024 are unsecured, interest-free, have no fixed terms of repayment and were not past due at 31 December 2025 and 31 December 2024.

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

	2025	2024
	HK\$ million	HK\$ million
Current or up to 1 month	239	252
More than 1 month and up to 3 months	42	66
More than 3 months and up to 6 months	33	33
More than 6 months	61	62
	<hr/>	<hr/>
	375	413
	<hr/> <hr/>	<hr/> <hr/>

13 Trade and other payables

	2025	2024
	HK\$ million	HK\$ million
Creditors and accrued expenses	8,934	8,597
Gross amount due to customers for contract work ^(#)	10	5
Rental and other deposits received	2,071	2,007
Forward sales deposits received and other contract liabilities ^(#)	3,943	5,672
Derivative financial instruments	344	677
Amounts due to associates	1,548	1,543
Amounts due to joint ventures	7,678	8,310
	<hr/> 24,528 <hr/>	<hr/> 26,811 <hr/>

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

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Forward sales deposits received

The Group receives 5% to 15% of the amount of sale consideration as deposits from customers when they sign the sale and purchase agreements relating to property sales. Such deposit is recognised as a contract liability until the property is completed and legally assigned to the customer. The rest of the sale consideration is typically paid when legal assignment is completed.

However, depending on market conditions, the Group may offer to customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the sale consideration early while construction is still ongoing, rather than upon legal assignment. Such advance payment schemes result in contract liabilities being recognised throughout the remaining property construction period for the full amount of the sale consideration.

13 Trade and other payables (continued)

Movements in contract liabilities

	Forward sales deposits received and other contract liabilities	
	2025 HK\$ million	2024 HK\$ million
At 1 January	5,672	4,899
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(5,310)	(3,302)
Increase in contract liabilities as a result of forward sales deposits received from customers during the year in relation to property projects held for/under development and completed property projects pending assignment/completion, and other contract liabilities in relation to provision of services at the end of the year	3,581	4,075
At 31 December	<u>3,943</u>	<u>5,672</u>

- (a) All of the Group's trade and other payables are expected to be settled within one year or are repayable on demand except for an amount of HK\$1,299 million (2024: HK\$1,253 million) which is expected to be settled after more than one year from the end of the reporting period.
- (b) At the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the due dates for settlement, is as follows:

	2025 HK\$ million	2024 HK\$ million
Due within 1 month or on demand	1,564	1,574
Due after 1 month but within 3 months	892	631
Due after 3 months but within 6 months	327	260
Due after 6 months	2,547	2,719
	<u>5,330</u>	<u>5,184</u>

- (c) The amounts due to associates and joint ventures at 31 December 2025 and 31 December 2024 are unsecured, interest-free and have no fixed terms of repayment except for aggregate amounts due to certain associates and certain joint ventures of HK\$849 million (2024: HK\$1,082 million) which are unsecured, interest-bearing at interest rates of 2.92% and ranging from Renminbi ("RMB") Loan Prime Rate minus 0.65% to RMB Loan Prime Rate (2024: ranging from 2.45% to 2.80% and 20% below the RMB Loan Prime Rate) per annum and wholly repayable between 20 January 2026 and 23 October 2026 (2024: between 28 January 2025 and 19 December 2025).

14 Convertible bonds

Under a subscription agreement dated 8 July 2025, on 16 July 2025, an indirect wholly-owned subsidiary of the Company (the “Issuer”) through an independent financial institution as sole lead manager completed the issuance of HK\$8,000 million 0.5% guaranteed unsecured convertible bonds due 2030 (the “Bonds”). The net proceeds to the Group from the issue of the Bonds (net of expenses) amounted to HK\$7,924 million.

The Bonds are denominated in Hong Kong dollars, have a coupon rate of 0.5% per annum and a maturity date of 16 July 2030. The due payment of all amounts to be payable by the Issuer and the due performance by the Issuer of its obligations under the Bonds have been unconditionally and irrevocably guaranteed by the Company.

The Bonds are convertible into fully-paid shares (“Shares”) in the share capital of the Company (the “Conversion Shares”) at the option of the holders of the Bonds (“Bondholders”), and the conversion price of the conversion of the Bonds into Shares in the Company is currently adjusted to HK\$35.35 (the “Adjusted Conversion Price”) while being subject to further adjustments. Assuming full conversion of the Bonds at the Adjusted Conversion Price, an aggregate of 226,308,345 Conversion Shares would be issued by the Company.

Bondholders also have the option to require the Issuer to redeem all or some of the Bonds held by them on 16 July 2028, at the principal amount together with interest accrued but unpaid up to but excluding that date.

Subsequent to 16 July 2025 and up to and including 31 December 2025, no Bondholder had exercised the option to convert the Bonds into Conversion Shares.

The Bonds comprise two components, being a debt component and an equity component. Upon initial recognition on 16 July 2025, the debt component was measured at fair value less attributable transaction costs. At the end of the reporting period, the debt component was accounted for as a liability and subsequently stated at amortised cost.

The movements of the Bonds for the year ended 31 December 2025 were as follows:

	Debt component HK\$ million	Equity component HK\$ million
At 1 January 2025	-	-
Initial recognition on 16 July 2025	7,037	887
Interest expense at effective interest rate (note 6(a))	102	-
Interest paid	(10)	-
Interest payable	(9)	-
At 31 December 2025	7,120	887

15 Non-adjusting event after the reporting period

After the end of the reporting period, the board of directors of the Company proposed a final dividend. Further details are disclosed in note 8.

16 Review of results

The financial results for the year ended 31 December 2025 have been reviewed with no disagreement by the Audit Committee of the Company.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2025 have been compared by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by KPMG on this announcement.

FINANCIAL REVIEW

Results of operations

The following discussions should be read in conjunction with the Company's audited consolidated financial statements for the year ended 31 December 2025.

Revenue and profit

	<i>Revenue</i>			<i>Profit/(loss) contribution from operations</i>		
	<i>Year ended 31 December</i>		<i>Increase / (Decrease) %</i>	<i>Year ended 31 December</i>		<i>Decrease %</i>
	<i>2025</i>	<i>2024</i>		<i>2025</i>	<i>2024</i>	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>
Reportable segments						
- Property development	14,639	12,506	+17%	1,569	4,795	-67%
- Property leasing	6,764	6,994	-3%	4,766	5,072	-6%
- Department stores and supermarket-cum-stores operations	1,461	1,548	-6%	57	63	-10%
- Hotel room operation	318	331	-4%	79	91	-13%
- Other businesses	2,559	3,877	-34%	(47)	42	-212%
	25,741	25,256	+2%	6,424	10,063	-36%

	<i>Year ended 31 December</i>		<i>Decrease %</i>
	<i>2025</i>	<i>2024</i>	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>

Profit attributable to equity shareholders of the Company

- excluding the Group's attributable share of changes in fair value of investment properties and investment properties under development (net of deferred taxation) held by the Group's subsidiaries, associates and joint ventures ("Underlying Profit") (Note)	6,063	9,774	-38%
- including the Group's attributable share of changes in fair value of investment properties and investment properties under development (net of deferred taxation) held by the Group's subsidiaries, associates and joint ventures	5,653	6,296	-10%

Note :

Underlying profit attributable to equity shareholders of the Company ("Underlying Profit") excludes the Group's attributable share of fair value change (net of deferred tax) of the investment properties and investment properties under development held by subsidiaries, associates and joint ventures. In order to fully exclude the aforesaid effects of changes in fair value from the Underlying Profit, the Group's attributable share of the cumulative fair value gain (net of tax) of investment properties disposed of during the year (which has been included in calculating the net

gain on disposal of investment properties and hence the profit attributable to equity shareholders of the Company during the year) of HK\$275 million (2024: HK\$1,456 million) was added back in arriving at the Underlying Profit.

Below is the comparison of the Underlying Profits for the years ended 31 December 2025 and 31 December 2024 by excluding (i) certain fair value adjustments; (ii) a sizeable transaction which took place during the corresponding year ended 31 December 2024; and (iii) the gains on land resumption by the HKSAR Government for both years :-

	Year ended 31 December		Increase / (Decrease)	
	2025 HK\$ million	2024 HK\$ million	HK\$ million	%
Underlying Profit	6,063	9,774	(3,711)	-38%
Add/(Less) :				
(i) Net fair value (gain) / loss on derivative financial instruments measured at fair value through profit or loss relating to certain interest rate swap contracts, cross currency swap contracts, cross currency interest rate swap contracts and foreign exchange forward contracts for which no hedge accounting was applied during the year	(67)	71	(138)	
(ii) Gain on transfer of the Group's entire interest in and shareholder's loan to a wholly-owned subsidiary which owns "Harbour East", an investment property in Hong Kong, attributable to underlying profit	-	(1,407)	1,407	
(iii) Gain on land resumption by the HKSAR Government of the Group's leasehold land lots in the New Development Areas and other land sites in the New Territories, Hong Kong attributable to underlying profit (as referred to in the paragraph headed "Resumption of certain land lots by the HKSAR Government" below)	(599)	(3,361)	2,762	
	5,397	5,077	320	+6%

Discussions on the major reportable segments are set out below.

Property development

The gross revenue and pre-tax profit contributions from the property development segment in Hong Kong, for both years ended 31 December 2025 and 31 December 2024, comprised the gross revenue and pre-tax profit contributions generated from the sales of properties, gain on land resumption by the HKSAR Government and interest income from mortgage loans, as well as interest income from property development joint ventures for the corresponding year ended 31 December 2024.

Gross revenue - subsidiaries and by geographical contribution

The gross revenue from property sales during the years ended 31 December 2025 and 31 December 2024 generated by the Group's subsidiaries, and by geographical contribution, were as follows:-

	Year ended 31 December		Increase	
	2025 HK\$ million	2024 HK\$ million	HK\$ million	%
<i>By geographical contribution:</i>				
Hong Kong	13,504	11,692	1,812	+15%
Chinese Mainland	1,135	814	321	+39%
	<u>14,639</u>	<u>12,506</u>	<u>2,133</u>	+17%

The gross revenue from property sales in Hong Kong of HK\$13,504 million during the year ended 31 December 2025 was mainly contributed from the following residential development projects completed during the year ended 31 December 2025 and in prior years, and the sold units of which were delivered to the buyers during the year ended 31 December 2025 :

- (i) HK\$2,918 million from “Belgravia Place Phase 1” in Cheung Sha Wan, Kowloon which was completed in April 2025;
- (ii) HK\$2,010 million from “The Henley” Phases 1 to 3 in The Kai Tak Development Area, Kowloon;
- (ii) HK\$1,587 million from “The Paddington” in Cheung Sha Wan, Kowloon which was completed in June 2025;
- (iv) HK\$1,505 million from “Baker Circle · Greenwich” in Hung Hom, Kowloon;
- (v) HK\$1,266 million from “The Haddon” in Hung Hom, Kowloon which was completed in September 2025; and
- (vi) HK\$1,263 million from “Gateway · Square Mile” in Mong Kok, Kowloon which was completed in April 2025.

Although the residential project of “Eight Southpark” in Ma Tau Kok, Kowloon was also completed in November 2025, the sold units of this project are scheduled for delivery to the buyers in the first half of 2026 and therefore no revenue and profit contributions have been recognised from this project for the year ended 31 December 2025.

The gross revenue from property sales in Chinese Mainland of HK\$1,135 million during the year ended 31 December 2025 was mainly contributed as to HK\$997 million from the “Changan Project” in Shijiazhuang and HK\$122 million from the residential project in Chaoyang District, Beijing. By comparison, for the corresponding year ended 31 December 2024, gross revenue from property sales of HK\$814 million was mainly contributed as to HK\$586 million from the “Changan Project” in Shijiazhuang and HK\$218 million from the residential project in Chaoyang District, Beijing.

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

The Group’s attributable share of pre-tax profits/(loss) from property sales, by geographical contribution and from subsidiaries (after deducting non-controlling interests), associates and joint ventures during the years ended 31 December 2025 and 31 December 2024, were as follows:-

	Year ended 31 December		Decrease	
	2025 HK\$ million	2024 HK\$ million	HK\$ million	%
<i>By geographical contribution:</i>				
Hong Kong	1,566	4,647	(3,081)	-66%
Chinese Mainland	(253)	985	(1,238)	-126%
	<u>1,313</u>	<u>5,632</u>	<u>(4,319)</u>	<u>-77%</u>

The decrease in the Group’s attributable share of pre-tax profits from property sales in Hong Kong during the year ended 31 December 2025 of HK\$3,081 million (or 66%) was mainly due to the pre-tax gain attributable to reported profit in the aggregate amount of HK\$3,320 million upon the resumption by the HKSAR Government of the Group’s leasehold land held for development for sale during the corresponding year ended 31 December 2024, whilst for the year ended 31 December 2025, the Group recognised a pre-tax gain attributable to reported profit of HK\$599 million upon the resumption by the HKSAR Government of the Group’s leasehold land held for development for sale.

The decrease in the Group’s attributable share of pre-tax profits from property sales in Chinese Mainland during the year ended 31 December 2025 of HK\$1,238 million (or 126%) was mainly due to the decrease in the Group’s attributable share of pre-tax profit contributions from “La Botanica” in Xian, “The Landscape” in Changsha, “Panyu Project” in Guangzhou and a mixed-use project in Chaoyang District, Beijing (all being projects held by the Group’s joint ventures).

	Year ended 31 December		Increase / (Decrease)	
	2025 HK\$ million	2024 HK\$ million	HK\$ million	%
<i>By contribution from subsidiaries (after deducting non-controlling interests), associates and joint ventures:</i>				
Subsidiaries	1,419	4,732	(3,313)	-70%
Associates	59	(16)	75	+469%
Joint ventures	(165)	916	(1,081)	-118%
	<u>1,313</u>	<u>5,632</u>	<u>(4,319)</u>	<u>-77%</u>

The decrease of HK\$3,313 million (or 70%) in the Group's attributable share of pre-tax profits from property sales of the Group's subsidiaries during the year ended 31 December 2025 was mainly due to the pre-tax gain attributable to reported profit in the aggregate amount of HK\$3,320 million upon the resumption by the HKSAR Government of the Group's leasehold land held for development for sale during the corresponding year ended 31 December 2024 (as referred to above).

The increase of HK\$75 million (or 469%) in the Group's attributable share of pre-tax profits from property sales of the Group's associates during the year ended 31 December 2025 was mainly due to the increase of HK\$63 million in the Group's attributable share of pre-tax profit contribution from "The Royale" project in Hong Kong which is held by a joint venture of Hong Kong Ferry (Holdings) Company Limited ("Hong Kong Ferry"), a listed associate of the Group.

The decrease of HK\$1,081 million (or 118%) in the Group's attributable share of pre-tax profits from property sales of the Group's joint ventures during the year ended 31 December 2025 was mainly due to the aggregate decrease of HK\$1,205 million in the Group's attributable share of pre-tax profit contributions from property sales of the Chinese Mainland joint ventures, particularly in relation to "La Botanica" in Xian, "The Landscape" in Changsha and "Panyu Project" in Guangzhou for which year-on-year decreases in the Group's attributable share of pre-tax profit contributions of HK\$851 million, HK\$170 million and HK\$135 million respectively were recorded during the year ended 31 December 2025.

Property leasing

Gross revenue – subsidiaries and by geographical contribution

The gross revenue from property leasing during the years ended 31 December 2025 and 31 December 2024 generated by the Group's subsidiaries, and by geographical contribution, were as follows:-

	Year ended 31 December		Increase / (Decrease)	
	2025 HK\$ million	2024 HK\$ million	HK\$ million	%
<i>By geographical contribution:</i>				
Hong Kong	5,002	4,953	49	+1%
Chinese Mainland	1,762	2,041	(279)	-14%
	<u>6,764</u>	<u>6,994</u>	<u>(230)</u>	<u>-3%</u>

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

The Group's attributable share of pre-tax net rental income, by geographical contribution and from subsidiaries (after deducting non-controlling interests), associates and joint ventures during the years ended 31 December 2025 and 31 December 2024, were as follows:-

	Year ended 31 December		Decrease	
	2025 HK\$ million	2024 HK\$ million	HK\$ million	%
<i>By geographical contribution:</i>				
Hong Kong	4,872	4,916	(44)	-1%
Chinese Mainland	1,304	1,591	(287)	-18%
	6,176	6,507	(331)	-5%
<i>By contribution from subsidiaries (after deducting non-controlling interests), associates and joint ventures:</i>				
Subsidiaries	4,435	4,734	(299)	-6%
Associates	473	480	(7)	-1%
Joint ventures	1,268	1,293	(25)	-2%
	6,176	6,507	(331)	-5%

For Hong Kong, on an overall portfolio basis, there was a year-on-year increase of HK\$49 million (or 1%) in rental revenue contribution and a year-on-year decrease of HK\$44 million (or 1%) in the Group's attributable share of pre-tax net rental income contribution for the year ended 31 December 2025. Despite the year-on-year increase in pre-tax net rental income contribution from "The Henderson" (being an investment property in Hong Kong which was completed in January 2024) of HK\$101 million, this was nevertheless mainly offset by the year-on-year decreases in (i) the pre-tax net rental income contribution from the investment properties held by certain of the Group's subsidiaries of HK\$134 million; and (ii) the Group's attributable share of pre-tax net rental income contribution from the investment properties held by associates and joint ventures in the aggregate amount of HK\$11 million, all in comparison with the corresponding year ended 31 December 2024.

For Chinese Mainland, on an overall portfolio basis, there was a year-on-year decrease of HK\$279 million (or 14%) in rental revenue contribution and a year-on-year decrease of HK\$287 million (or 18%) in the Group's attributable share of pre-tax net rental income contribution for the year ended 31 December 2025. Based on the average exchange rates between the Renminbi ("RMB") and Hong Kong dollars ("HKD") for the two financial years ended 31 December 2025 and 31 December 2024, there was a year-on-year depreciation of RMB against HKD by approximately 1% during the year ended 31 December 2025 and excluding the effect of foreign currency translation, there was in RMB terms :

- (i) a year-on-year decrease in the Group's attributable share of rental revenue of 12% which was mainly attributable to the decrease in rental revenue contribution of "World Financial Centre" in Beijing due to a lower average occupancy rate during the year ended 31 December 2025 compared with that for the corresponding year ended 31 December 2024;
- and
- (ii) a year-on-year decrease in the Group's attributable share of pre-tax net rental income of 17% which was also mainly attributable to the decrease in rental revenue contribution of "World Financial Centre" in Beijing for the reason as referred to above.

Department stores and supermarket-cum-stores operations

Department stores and supermarket-cum-stores operations are carried out by Citistore (Hong Kong) Limited (“Citistore”) and Unicorn Stores (HK) Limited (“Unicorn”) respectively, both being wholly-owned subsidiaries of Henderson Investment Limited, a non-wholly owned listed subsidiary of the Group. For the year ended 31 December 2025, revenue contribution amounted to HK\$1,461 million (2024: HK\$1,548 million) which represented a year-on-year decrease of HK\$87 million (or 6%) from that for the corresponding year ended 31 December 2024. The decrease in revenue during the year ended 31 December 2025 was mainly attributable to the fall in retail sales of the Group due to the continuing increase in outbound travel, and cross-border consumption and shopping.

Profit contribution (after the elimination of rental expenditure payable by Citistore and Unicorn to the Group, in respect of certain store premises leased by Citistore and Unicorn from the Group for business operation) for the year ended 31 December 2025 decreased by HK\$6 million (or 10%) to HK\$57 million (2024: HK\$63 million). The decrease in profit contribution was mainly in line with the decrease in revenue contribution despite the cost control measures and savings in operating expenditures during the year ended 31 December 2025.

Hotel room operation

This mainly relates to the sales of hotel rooms by Miramar Hotel and Investment Company, Limited (“Miramar”, a non-wholly owned listed subsidiary of the Group) in respect of “The Mira Hong Kong Hotel” and “Mira Moon Hotel”, being the two hotels operated by Miramar in Hong Kong.

During the year ended 31 December 2025, revenue amounted to HK\$318 million (2024: HK\$331 million) and pre-tax profit amounted to HK\$79 million (2024: HK\$91 million), representing a year-on-year decrease in revenue of HK\$13 million (or 4%) and a year-on-year decrease in pre-tax profit of HK\$12 million (or 13%). The decrease in revenue contribution for the year under review was mainly due to the drop in the occupancy rate of “The Mira Hong Kong Hotel” as a result of the partial renovation of its guestrooms since June 2025. The more remarkable decrease in pre-tax profit contribution for the year under review, in percentage terms, was due to the increase in direct costs such as staff costs and commissions to travel agents, as well as the increase in repair and maintenance expenses of Miramar’s hotel properties.

Other businesses

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

Revenue and pre-tax loss contribution from other businesses for the year ended 31 December 2025 amounted to HK\$2,559 million and HK\$47 million respectively, representing:

- (a) a decrease of HK\$1,318 million (or 34%) from the revenue contribution of HK\$3,877 million for the corresponding year ended 31 December 2024, and which was mainly attributable to the decrease in revenue contributions of (i) HK\$1,174 million from the Group’s construction operation following the completion of the Group’s construction work on “The Knightsbridge” project (being a project held by a joint venture of the Group) in the year 2024; and (ii)

HK\$197 million from Miramar's travel operation due to the softening of the tourism market sentiment relative to the year 2024 which had benefitted from a strong pent-up demand following the restoration of international travelling activities after the COVID-19 pandemic in the preceding year;

and

- (b) a decrease of HK\$89 million (or 212%) from the pre-tax profit contribution of HK\$42 million for the corresponding year ended 31 December 2024, and which was mainly attributable to the decrease in pre-tax profit contribution of HK\$74 million from Miramar's travel operation for the reason as referred to above.

Associates

The Group's attributable share of post-tax profits less losses of associates during the year ended 31 December 2025 amounted to HK\$2,512 million (2024: HK\$2,413 million), representing an increase of HK\$99 million (or 4%) over that for the corresponding year ended 31 December 2024. Excluding the Group's attributable share of changes in fair value of investment properties held by the associates (net of deferred taxation) during the year, the Group's attributable share of the underlying post-tax profits less losses of associates for the year ended 31 December 2025 amounted to HK\$2,701 million (2024: HK\$2,623 million), representing an increase of HK\$78 million (or 3%) over that for the corresponding year ended 31 December 2024. Such year-on-year increase in the underlying post-tax profits during the year ended 31 December 2025 was mainly attributable to (i) the year-on-year increase of HK\$22 million in the Group's attributable share of post-tax underlying profit contribution from The Hong Kong and China Gas Company Limited (a listed associate of the Group); and (ii) the year-on-year increase of HK\$42 million in the Group's attributable share of post-tax underlying profit from Hong Kong Ferry mainly due to the year-on-year increase of HK\$53 million in the Group's attributable share of post-tax profit contribution from "The Royale" project (being Hong Kong Ferry's joint venture property development project in Hong Kong).

Joint ventures

The Group's attributable share of post-tax profits less losses of joint ventures during the year ended 31 December 2025 amounted to HK\$223 million (2024: HK\$685 million), representing a decrease of HK\$462 million (or 67%) from that for the corresponding year ended 31 December 2024. Excluding the Group's attributable share of changes in fair value of investment properties held by the joint ventures (net of deferred taxation) during the year, the Group's attributable share of the underlying post-tax profits less losses of joint ventures for the year ended 31 December 2025 amounted to HK\$327 million (2024: HK\$666 million), representing a decrease of HK\$339 million (or 51%) from that for the corresponding year ended 31 December 2024. Such year-on-year decrease in the underlying post-tax profits during the year ended 31 December 2025 was mainly due to the net aggregate decrease of HK\$566 million in the Group's attributable share of post-tax profit contribution from property sales of the joint ventures in Chinese Mainland, which was partially offset by (i) the net aggregate increase of HK\$115 million in the Group's attributable share of post-tax profit contribution from property sales of the joint ventures in Hong Kong and gains on land resumption by the HKSAR Government of land sites held by certain joint ventures in Hong Kong; and (ii) the increase of HK\$67 million in the Group's attributable share of underlying post-tax profit contribution from the ifc project.

Finance costs

Finance costs (comprising interest expense and other borrowing costs) before interest capitalisation for the year ended 31 December 2025 amounted to HK\$5,456 million (2024: HK\$6,884 million), which included finance costs relating to the Bonds (as defined and referred to in the paragraph headed “Issuance of a convertible bond during the year ended 31 December 2025” below) based on the effective interest rate in the amount of HK\$102 million (2024: Nil).

Finance costs after interest capitalisation for the year ended 31 December 2025 amounted to HK\$2,444 million (2024: HK\$2,331 million), and after set-off against the Group’s bank interest income of HK\$444 million for the year ended 31 December 2025 (2024: HK\$452 million), the Group recognised net finance costs in the Group’s consolidated statement of profit or loss for the year ended 31 December 2025 in the amount of HK\$2,000 million (2024: HK\$1,879 million).

The Group’s overall effective borrowing rate for the year ended 31 December 2025 was approximately 3.41% per annum (2024 : approximately 4.51% per annum).

Revaluation of investment properties and investment properties under development

The Group recognised an increase in fair value on its investment properties and investment properties under development (before deferred taxation and non-controlling interests) of HK\$160 million in the consolidated statement of profit or loss for the year ended 31 December 2025 (2024: a decrease in fair value of HK\$1,514 million).

Financial resources and liquidity

Medium Term Note Programme

At 31 December 2025, the aggregate carrying amount of notes guaranteed by the Company and issued under the Group’s Medium Term Note Programme established on 30 August 2011 (“MTN Programme”) and under which the Company had on 6 May 2022 increased the maximum aggregate principal amount of notes outstanding at any one time from US\$5,000 million to US\$7,000 million, was HK\$10,798 million (2024: HK\$19,609 million) with tenures of between two years and twenty years (2024: between two years and twenty years).

During the year ended 31 December 2025, the Group issued three guaranteed notes under the MTN Programme denominated in HKD in the aggregate amount of HK\$690 million (2024: a guaranteed note denominated in HKD in the amount of HK\$300 million) with tenures of between two years and five years (2024: tenure of two years). Such guaranteed notes issued by the Group serve to finance the Group’s capital expenditure requirements as referred to in the paragraph headed “Capital commitments” below, and are included in the Group’s bank and other borrowings at 31 December 2025 and 31 December 2024 as referred to in the paragraph headed “Maturity profile and interest cover” below. During the year ended 31 December 2025, the Group repaid certain guaranteed notes in the aggregate equivalent principal amount of HK\$9,619 million (2024: HK\$6,334 million) under the MTN Programme.

Maturity profile and interest cover

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

	At 31 December 2025 HK\$ million	At 31 December 2024 HK\$ million
Bank and other borrowings (including the debt component of the HK\$8,000 million convertible bonds issued in July 2025 (2024: Nil)) repayable:		
- Within 1 year	9,331	17,586
- After 1 year but within 2 years	15,175	20,081
- After 2 years but within 5 years	36,749	22,824
- After 5 years	17,619	21,745
Amounts due to related companies	3,543	3,672
Total debt	82,417	85,908
Less:		
Cash and bank balances	(22,198)	(17,919)
Net debt	60,219	67,989
Shareholders' funds	322,464	322,147
Gearing ratio (%)	18.7%	21.1%

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

At 31 December 2025, the Group's total debt comprised (i) bank and other borrowings in Hong Kong, being bank loans of HK\$58,230 million (2024: HK\$59,824 million), guaranteed notes of HK\$10,798 million (2024: HK\$19,609 million) and the debt component of the Bonds (as defined and referred to in the paragraph headed "Issuance of a convertible bond during the year ended 31 December 2025" below) of HK\$7,120 million (2024: Nil); (ii) bank borrowings in Chinese Mainland in the equivalent amount of HK\$2,726 million (2024: in the equivalent amount of HK\$2,803 million); and (iii) amounts due to related companies in the equivalent amount of HK\$3,543 million (2024: in the equivalent amount of HK\$3,672 million), which in aggregate amounted to HK\$82,417 million (2024: HK\$85,908 million). The bank and other borrowings in Hong Kong are unsecured and have a weighted average debt maturity profile of approximately 3.81 years (2024: approximately 3.36 years). The bank borrowings in Chinese Mainland are unsecured and have a weighted average debt maturity profile of approximately 3.16 years (2024 (restated to conform with the current year's calculation basis): approximately 3.17 years). The amounts due to related companies are unsecured and have a weighted average debt maturity profile of approximately three years (2024: approximately three years).

In addition, at 31 December 2025, there was an amount due from the Group to a fellow subsidiary (being a wholly-owned subsidiary of the ultimate controlling party of the Group) of HK\$80,618 million (2024: HK\$66,215 million) which is unsecured, interest-bearing and has no fixed repayment terms.

At 31 December 2025, after taking into account the effect of swap contracts, 37% (2024: 37%) of the Group's total debt carried fixed interest rates.

The interest cover of the Group is calculated as follows:

	Year ended 31 December	
	2025	2024
	HK\$ million	HK\$ million
Profit from operations (including the cumulative attributable fair value change (net of tax) of investment properties disposed of during the year, but before the attributable changes in fair value of investment properties and investment properties under development for the year) plus the Group's attributable share of the underlying profits less losses of associates and joint ventures ("Underlying Operating Profit")	<u>8,878</u>	<u>13,276</u>
Net interest expense (before interest capitalisation)	<u>4,838</u>	<u>6,251</u>
Interest cover (times)	<u>1.84</u>	<u>2.12</u>

The year-on-year decrease in the Underlying Operating Profit for the year ended 31 December 2025 is mainly due to (i) the gain on transfer of the Group's entire interest in and shareholder's loan to a wholly-owned subsidiary which owns "Harbour East" (being a former investment property of the Group in Hong Kong) attributable to underlying profit in the amount of HK\$1,407 million during the corresponding year ended 31 December 2024; and (ii) the decrease of the pre-tax gain attributable to underlying profit arising from the land resumption by the HKSAR Government of the Group's leasehold land held for development for sale in the New Development Areas and other land sites in the New Territories, Hong Kong, from HK\$3,361 million during the corresponding year ended 31 December 2024 to HK\$599 million during the year ended 31 December 2025.

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

Treasury and financial management

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

The Group conducts its business primarily in Hong Kong with the related cash flows, assets and liabilities being denominated mainly in Hong Kong dollars. The Group's primary foreign exchange exposure at 31 December 2025 arose from its property developments and investments in Chinese Mainland which were denominated in RMB, the guaranteed notes ("Notes") which were denominated in United States dollars, RMB and Japanese Yen ("¥") and the bank borrowings which were denominated in ¥ and RMB at 31 December 2025.

In respect of the Group's operations in Chinese Mainland, apart from its capital contributions and, in some cases, loan contributions to projects which are denominated in RMB and are not hedged, the Group endeavours to establish a natural hedge by maintaining an appropriate level of external borrowings in RMB. In respect of the Notes and bank borrowings in Hong Kong at each

of 31 December 2025 and 31 December 2024, hedging arrangements had been made by the Group with certain counterparty banks which comprised (i) interest rate swap contracts; (ii) cross currency swap contracts; (iii) cross currency interest rate swap contracts; and (iv) foreign exchange forward contracts to hedge against interest rate risk and foreign currency risk during their tenure. Based on the abovementioned swap and forward contracts, the aggregate amount of the Notes and bank borrowings in Hong Kong which were hedged against the interest rate risk only, the foreign currency risk only and both the interest rate risk and foreign currency risk, was HK\$15,282 million at 31 December 2025 (2024: HK\$21,775 million) which represented 19% of the Group's total debt at 31 December 2025 (2024: 25%).

Material acquisitions and disposals

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

Resumption of certain land lots by the HKSAR Government

During the year ended 31 December 2025, the Group recognised resumption proceeds in the aggregate attributable amount of HK\$943 million from the HKSAR Government in relation to the Group's leasehold land held for development for sale measuring an aggregate attributable land area of about 900,000 square feet held in Yuen Long South, Kam Tin, San Tin, Hung Shui Kiu and the land sites for the construction of the Northern Link Main Line, the New Territories, Hong Kong, resulting in the Group's recognition of an attributable share of aggregate pre-tax gain on land resumption attributable to both reported profit and underlying profit in the amount of HK\$599 million for the year ended 31 December 2025.

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

Under a subscription agreement dated 8 July 2025, on 16 July 2025, an indirect wholly-owned subsidiary of the Company (the "Issuer") through an independent financial institution as sole lead manager completed the issuance of HK\$8,000 million 0.5% guaranteed unsecured convertible bonds due 2030 (the "Bonds") which are convertible into fully paid shares ("Shares") in the share capital of the Company (the "Conversion Shares") at the option of the holders of the Bonds. The conversion price of the conversion of the Bonds into Shares in the Company is currently adjusted to HK\$35.35 (the "Adjusted Conversion Price") while being subject to further adjustments, and the maturity date of the Bonds is 16 July 2030. The due payment of all amounts to be payable by the Issuer and the due performance by the Issuer of its obligations under the Bonds have been unconditionally and irrevocably guaranteed by the Company. The net proceeds from the issue of the Bonds (net of expenses) amounted to approximately HK\$7,920 million upon initial recognition on 16 July 2025. The debt component of the Bonds was initially recognised at the fair value of a similar liability that does not have an equity conversion option. Taking into account the interest expenses incurred (based on the effective interest rate) for the period from initial recognition up to and including 31 December 2025 and the interest expenses paid and payable for the same period, the carrying amounts of the Bond's debt component and equity component were HK\$7,120 million and HK\$887 million respectively at 31 December 2025.

Subsequent to 16 July 2025 and up to and including 31 December 2025, no holders of the Bonds had exercised the option to convert the Bonds into Conversion Shares.

Assuming full conversion of the Bonds at the Adjusted Conversion Price and no change to the share capital of the Company, an aggregate of 226,308,345 Conversion Shares would be issued by the Company representing approximately 4.47% of the total number of issued Shares at 31 December 2025 and as enlarged by the allotment and issue of the Conversion Shares.

Based on the Group's cash and bank balances at 31 December 2025, the Group's cash flow from operating activities and the Group's available committed undrawn bank loan facilities, the Group has the ability to meet its redemption obligations under the Bonds.

Charge on assets

The assets of the Group's subsidiaries were not charged to any party at 31 December 2025 and 31 December 2024.

Capital commitments

At 31 December 2025, capital commitments of the Group amounted to HK\$13,819 million (2024: HK\$19,030 million). In addition, the Group's attributable share of capital commitments undertaken by joint ventures and certain associates at 31 December 2025 amounted to HK\$3,244 million (2024: HK\$5,666 million).

The Group plans to finance its capital expenditure requirements for the year ending 31 December 2026 by way of the Group's own internally generated cash flow, bank deposits, banking facilities and funds raised and to be raised from the capital market.

Contingent liabilities

At 31 December 2025, the Group's contingent liabilities amounted to HK\$6,057 million (2024: HK\$14,635 million), which mainly included:-

- (i) an aggregate attributable amount of HK\$242 million (2024: HK\$245 million) relating to performance bonds, guarantees and undertakings for the due and proper performance of the obligations of the Group's projects held by subsidiaries and joint ventures;
- (ii) an amount of HK\$946 million (2024: HK\$2,647 million) relating to guarantees given by the Group to financial institutions on behalf of purchasers of property units of the Group's development projects in Chinese Mainland in relation to which the related Building Ownership Certificate (房產證) had not yet been issued at 31 December 2025 (and such guarantees will be released upon the issuance of the Building Ownership Certificate), and the decrease of which is mainly attributable to the release of guarantees following the issuance of the Building Ownership Certificate on the Group's projects in Yixing and Shijiazhuang during the year ended 31 December 2025;
- (iii) an amount of up to HK\$3,278 million (2024: up to HK\$3,278 million) relating to the Group's attributable and proportional share (in accordance with the Group's attributable interest in a joint venture engaged in the development of a site owned by the Urban Renewal Authority at Bailey Street/Wing Kwong Street, To Kwa Wan, Kowloon, Hong Kong and in which the Group has 50% equity interest (the "First Developer")) of contingent liabilities in respect of an irrevocable, unconditional and several guarantee given by the Group to two lending banks in relation to 50% of the maximum amount which may be drawn down by the First Developer on a loan facility of up to HK\$6,556 million which was entered into on 29 December 2023 between such lending banks and the First Developer (and part of such proceeds refinanced the previous loan pursuant to the loan facility agreement dated 25 July 2022 of up to HK\$3,276 million entered into between a lending bank and the First Developer and which matured on 28 January 2024); and

- (iv) an amount of up to HK\$1,150 million (2024: Nil) relating to the Group's attributable and proportional share (in accordance with the Group's attributable interest in a joint venture engaged in the development of a site at Nos. 983-987A King's Road and Nos. 16-94 Pan Hoi Street, Quarry Bay, Hong Kong and in which the Group has 50% equity interest (the "Second Developer")) of contingent liabilities in respect of an irrevocable, unconditional and several guarantee given by the Group to a lending bank in relation to 50% of the maximum amount which may be drawn down by the Second Developer on a loan facility of up to HK\$2,300 million which was entered into on 17 December 2025 between the lending bank and the Second Developer (and such proceeds refinanced the previous shareholders' loans advanced to the Second Developer for the purpose of acquiring the land site for development).

Employees and remuneration policy

At 31 December 2025, the Group had 10,078 (2024: 9,970) full-time employees. The remuneration of the employees is in line with the market and commensurate with the level of pay in the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. Other benefits to the employees include medical insurance, retirement scheme, training programmes and education subsidies.

Total staff costs for the year ended 31 December 2025 amounted to HK\$3,412 million (2024: HK\$3,364 million).

OTHER INFORMATION

Closure of Register of Members

1. Book Close for determining the entitlement to attend and vote at the annual general meeting

The Register of Members of the Company will be closed from Thursday, 28 May 2026 to Tuesday, 2 June 2026 (record date), both days inclusive, during which period no transfer of shares will be registered, for the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting. In order to be entitled for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 27 May 2026.

2. Book Close for determining the qualification for the proposed final dividend

The Register of Members of the Company will be closed from Monday, 8 June 2026 to Wednesday, 10 June 2026 (record date), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited at the above address no later than 4:30 p.m. on Friday, 5 June 2026.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

Audit Committee

The Audit Committee met in March 2026 and reviewed the systems of internal control, risk management and compliance, and the annual report for the year ended 31 December 2025.

Corporate Governance

During the year ended 31 December 2025, the Company complied with the applicable code provisions set out in the Corporate Governance Code (the "CG Code") as stated in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), with the exception that the roles of the chairman and the chief executive officer of the Company have not been segregated as required by the CG Code. The Company is of the view that it is in the best interest of the Company that each of Dr Lee Ka Kit and Dr Lee Ka Shing, with his relevant in-depth expertise and knowledge in the Group's business, acts in the dual capacity as Chairman and Managing Director of the Company. Although the roles of the chairman and the chief executive officer of the Company have not been segregated, powers and authorities have not been over-concentrated as all major decisions are made in consultation with Board members as well as appropriate Board committees and senior management, who possess the relevant knowledge and expertise. Hence, the current arrangements are subject to adequate checks and balances notwithstanding the deviation.

Model Code for Securities Transactions by Directors

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

Forward-Looking Statements

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

On behalf of the Board

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

Hong Kong, 23 March 2026

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