



2024
Interim Report

Hang Lung Group Limited

Stock Code: 00010

We Do It Well

CONTENTS

2	Corporate Information
3	Chair's Letter to Shareholders
8	Financial Highlights
9	Review of Operations
28	Other Information
39	Independent Auditor's Review Report
41	Financial Statements
65	Glossary
66	Information for Investors

HONORARY CHAIR

Ronnie C. Chan *GBM*

DIRECTORS

Adriel Chan (*Chair*)

Weber W.P. Lo (*Chief Executive Officer*)

Gerald L. Chan[#]

Simon S.O. Ip *GBS, CBE, JP**

P.W. Liu *SBS, JP**

L.C. Tsui *OC, GBM, GBS, JP**

Martin C.K. Liao *GBM, GBS, JP**

George K.K. Chang[#]

Roy Y.C. Chen[#]

May S.B. Tan* (*appointed as an Independent
Non-Executive Director on March 20, 2024*)

Kenneth K.K. Chiu (*Chief Financial Officer*)

[#] *Non-Executive Director*

^{*} *Independent Non-Executive Director*

AUDIT COMMITTEE

Simon S.O. Ip *GBS, CBE, JP (Chair)*

P.W. Liu *SBS, JP*

George K.K. Chang

May S.B. Tan

NOMINATION AND REMUNERATION COMMITTEE

P.W. Liu *SBS, JP (Chair)*

Simon S.O. Ip *GBS, CBE, JP*

Martin C.K. Liao *GBM, GBS, JP*

AUTHORIZED REPRESENTATIVES

Weber W.P. Lo

Winnie Ma

COMPANY SECRETARY

Winnie Ma

REGISTERED OFFICE

28th Floor, Standard Chartered Bank Building
4 Des Voeux Road Central, Hong Kong

Tel: 2879 0111

Fax: 2868 6086

Website: <http://www.hanglunggroup.com>

Email: HLGroup@hanglung.com

AUDITOR

KPMG

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

CHAIR'S LETTER TO SHAREHOLDERS

Dear Stakeholders,

Over the past six months, the operating environment has been among the most challenging we have encountered in recent years. Our total revenue increased by 15% to HK\$6.4 billion, driven by property sales of HK\$1.2 billion. However, our main business — recurring rental revenues — slipped by 7% to HK\$5.2 billion, while the underlying leasing profit attributable to shareholders retreated by 18% to HK\$1.3 billion. We also recorded a valuation loss of HK\$0.7 billion.

Although the decline in underlying net profit was mostly due to the drop in rentals received, it was also significantly impacted by the 46% increase in interest expenses over the same period in 2023 (calculated excluding capitalized interest). If capitalized interest had been included, gross finance costs would have increased by 19%. Also incorporated in the above figures is a 2.8% depreciation of the Renminbi (RMB) against the Hong Kong Dollar.

Even before the start of 2024, we expected that the first half of the year would be challenging, given the first half of 2023 leasing revenues were record-breaking. As a result, management worked hard to try to keep the gap as narrow as possible. Regardless, the market proved to be less cooperative than anticipated, and tenant sales in our Shanghai malls decreased by over 20%, while our ex-Shanghai mall tenant sales fell by low single digits. Considering the importance of our two Shanghai malls, this was enough to drag down our entire mainland China portfolio's tenant sales by 13%.

In the first few months of 2024, we — along with many of our luxury tenants — hoped the months that followed might help bring us back into positive territory. Unfortunately, by the second quarter, that looked increasingly unlikely, given weak sales in June. Anecdotally, luxury brands have now been revising down their 2024 full-year forecasts and have announced both delays and cancellations of new store openings. Thankfully, these have not hit us, as of yet.

The two main reasons for our decrease in underlying profits are straightforward: the reduction of tenant sales (resulting in reduced rental receipts), and higher interest expenses.

On the rental drop, there are several issues at play. The largest impact on our luxury sales over the past six months has been the cheaper Japanese Yen (JPY), which has driven outbound luxury tenant sales to Japan. In the first half of 2024, the JPY had devalued by 15%-20% against the RMB compared to the first half of 2023, making it that much cheaper to shop in Japan than onshore in China. The price difference widened to around 30% when tax refunds are taken into account. Partly as a result of that, in May 2024, Chinese tourist arrivals in Japan had increased by over 300% compared to May 2023. Alongside this focused increase in travel to Japan came a huge overall increase in outbound international travel by Chinese tourists, reaching nearly 400% of 2023 levels by the end of the first quarter. Considering the current trend, I do not expect this interest in outbound travel to lessen before the end of the summer.

The next most influential cause of our sales decline was the broad lack of consumer confidence across the market. One might understand this as the primary reason for the 4% fall in tenant sales in our malls outside of Shanghai, both luxury and sub-luxury. With economic uncertainty and tightened budgets, households have been reducing their discretionary spending. In the case of our malls, however, we believe this is more a reduction in visits or basket size rather than a “downgrade” in the quality of goods purchased. This national phenomenon might be reversed by a shift in sentiment or a shift in the macro environment, and most look to the government for signals of such. However, as of this writing, there has not yet been a compelling signal.

Finally, I want to reference a point made in previous discussions with investors and the media during the pandemic, which is the distribution of luxury purchases made by Chinese consumers onshore in mainland China, compared to those made offshore, overseas. One might consider this recent increase in outbound shopping a regression toward a mean. Ignoring the total size of the pie for a moment, Chinese consumers made only 35% of their luxury purchases “at home” on the Mainland before the pandemic. The other 65% was purchased offshore, for example, in Hong Kong, Europe, or Japan. During the pandemic, the onshore purchase amount increased to 100% since travel was impossible. Now that travel has resumed, it is fair to expect onshore Chinese luxury spending to normalize at a new level somewhere between 35% and 100%. Today, that figure sits at around 60%. This is a 40% drop from pandemic-era levels, and explains a significant portion of our sales decline. However, it is worth noting that the level of onshore luxury spending today is still over 70% above pre-pandemic levels. Although it is difficult to say where this number will normalize, I suspect that the worst will soon be behind us, given the previously cooped-up Chinese consumers will soon have had two full summers to travel and shop internationally; enough, I hope, to get the “travel bug” out of their systems.

The other side of our underlying net profit to shareholders equation is higher interest expenses. Unfortunately, interest rates remain more elevated than we had hoped. Although we would rather not increase our gearing or interest costs in this market, we have been well aware, for the past several years, that the Company would reach this level of debt, based on our regularly communicated capital expenditure plans.

Additional borrowings in recent years have been primarily associated with the remaining phases in Kunming, Wuhan, and Wuxi, as well as the construction of Westlake 66 in Hangzhou. Since the completion of Heartland Residences in Wuhan, The Aperture, and 228 Electric Road, we have stopped capitalizing interest on related construction loans, and those interest expenses now flow through our profit and loss statement. Combining these with higher Hong Kong interest rates explains the big jump in our interest costs. Based on the latest projections, we expect our debt and interest levels to peak in the mid-thirties percentage range over the next two years. We are comfortable with this.

Considering our higher interest costs, management has examined multiple options to reduce our debt burden, such as the active management of both capital expenditures and operating expenses. We said in January that our number one priority for additional cash was to pay down debt, followed by paying dividends, and then making new investments. Management envisions our priorities to remain similar until our debt and interest expense situations change.

While I do not see an immediate resolution to these macro headwinds, I am happy to report that the Company has not been sitting idle. We have made good progress on governance, management, operations, and sustainability, which will help us better withstand any external shocks and capture opportunities in the future. Some of you will have seen our appointment of Ms. May Tan to our Board in March. Ms. Tan is a seasoned finance executive with many years of executive and board experience. She is the former CEO of Standard Chartered Bank (Hong Kong) and has served on the boards of real estate, utilities, and financial services companies.

Operationally, two of the most important factors in a retail setting are occupancy and foot traffic. In both metrics, we have improved generally across the board. Our retail occupancy and foot traffic are as strong as ever, achieving a four-point rise in total occupancy against the same period last year across our malls, where we increased the number of luxury tenants by 2%. Similarly, average foot traffic is up across our mainland China portfolio. Despite a dip in sales, these fundamentals prove that our business remains on sound footing. Furthermore, we have increased both our ratio and our absolute amount of fixed rentals despite the period's drop in sales rent.

I am also excited to announce that the first half of 2024 saw strong performance continue outside of Shanghai, broadening our income base and effectively awarding a strong “fourth leg” to our model. The first three legs are: 1) Hong Kong, 2) Shanghai malls, 3) mainland China offices, and now 4) ex-Shanghai malls. Each leg has a slightly different dynamic, so while they don’t fully hedge each other, there is a broader base for future income stability.

Sustainability efforts and achievements have gone from strength to strength, with our partnership with LVMH entering its second year and both teams as energetic as ever. In addition to that unprecedented program, we have extended our sustainable tenant partnerships program, *Changemakers*. The program covers 16 tenants (both retail and office) across 14 properties in seven cities, together comprising a total leased area of more than 78,000 square meters. This represents a new milestone in our engagement with tenants and stakeholders to provide the most sustainable spaces in our markets.

Lastly, I will be unconventional and make a few broad observations on our share price — something we rarely do in writing, and even less so in this letter (for good reason). Exploring the details of micro-movements in the share price would be pointless, so I will focus on higher-order factors.

Many investors, including our major shareholders, have questioned why Hang Lung Group has performed so poorly over the past decade and a half. Our share price has underperformed the Hang Seng Index (HSI) and most of our peers, yet this certainly does not reflect our operational performance. In order of magnitude of impact, I have identified three primary reasons for this:

- Geography – mainly the rotation of capital out of China and China-related businesses
- Sectoral – the entire real estate sector’s share price underperformance
- Comparables – the lack of easily comparable companies/competitors.

As those engaged in global markets know, the reason for capital rotation out of China, including Hong Kong, is primarily geopolitical. Of course, the country has not done itself any favors with its unpredictable and, at times, awkwardly timed regulatory changes, but feedback from analysts and investors points to geopolitics being the main reason. Related partly to the market and partly to the regulatory changes mentioned above, the residential real estate market has completely deflated in mainland China. Although we are not selling into that market, stock market indices and categories have lumped us with these hugely underperforming developers. Naturally, this has affected our stock price, despite us being a different type of company.

This brings me to my third point, which is that although our business is not uncommon in and of itself (there are many companies with luxury mall portfolios in China and others with high-end offices), we are quite unique in that no one else has the same level of concentrated exposure to these segments as we do. Our closest competitors have, in addition to their luxury malls, either a huge supply of mid-size and mass malls as well as residential real estate, or much more significant exposure to Hong Kong as a percentage of their revenues. Therefore, it is difficult to benchmark us against our peers in the market since there are no truly direct comparables.

Our business model is quite exceptional, and I am convinced that it is fundamentally sound. Regardless of the recent softening in consumption across China, I see no reason for Chinese consumers to suddenly turn their backs on luxury goods or to stop visiting our malls. In fact, if there is one macro trend that I would bet on, it is that Chinese consumers will continue to seek a higher quality of life, partly through more premium goods and services, which is precisely what our projects offer.

At the end of the day, these are the realities of the market, and management will do what we can to mitigate them.

As this is my first letter as Chair since taking on this role, I wish to express both my thanks and my appreciation to you, our shareholders, for your continued support of Hang Lung over the years. Rest assured that we will continue to work as hard as ever to be the best operator that we can be, and to earn your trust, confidence, and continued support. I also express heartfelt thanks to my colleagues, who continue to work tirelessly to deliver our promise of *Doing it Well*, in order to create the most compelling spaces for our customers.

Adriel Chan

Chair

Hong Kong, July 30, 2024

FINANCIAL HIGHLIGHTS

in HK\$ Million (unless otherwise stated)

RESULTS

	For the six months ended June 30					
	2024			2023		
	Property Leasing	Property Sales	Total	Property Leasing	Property Sales	Total
Revenue	5,151	1,228	6,379	5,523	2	5,525
– Mainland China	3,537	25	3,562	3,775	–	3,775
– Hong Kong	1,614	1,203	2,817	1,748	2	1,750
Operating profit/(loss)	3,624	(11)	3,613	4,066	(32)	4,034
– Mainland China	2,355	(20)	2,335	2,640	(20)	2,620
– Hong Kong	1,269	9	1,278	1,426	(12)	1,414
Underlying net profit/(loss) attributable to shareholders	1,294	(13)	1,281	1,571	(11)	1,560
Net (decrease)/increase in fair value of properties attributable to shareholders	(393)	–	(393)	122	–	122
Net profit/(loss) attributable to shareholders	901	(13)	888	1,693	(11)	1,682

	At June 30, 2024	At December 31, 2023
Shareholders' equity	95,830	94,360
Net assets attributable to shareholders per share (HK\$)	\$70.4	\$69.3

Earnings and Dividend (HK\$)

	2024	2023
Earnings per share		
– Based on underlying net profit attributable to shareholders	\$0.94	\$1.15
– Based on net profit attributable to shareholders	\$0.65	\$1.24
Interim dividend per share	\$0.21	\$0.21

Financial Ratios

	At June 30, 2024	At December 31, 2023
Net debt to equity ratio	30.2%	28.6%
Debt to equity ratio	34.9%	32.7%

CONSOLIDATED RESULTS

For the six months ended June 30, 2024, the total revenue of Hang Lung Group Limited (the “Company”) and its subsidiaries (collectively known as “the Group”) increased by 15% to HK\$6,379 million compared to the same period last year with the recognition of property sales revenue of HK\$1,228 million (2023: HK\$2 million). Due to declining luxury consumption in the Mainland, the softening of retail and office markets in Hong Kong, and the depreciation of the Renminbi (RMB), revenue from property leasing decreased by 7% to HK\$5,151 million. The overall operating profit fell by 10% to HK\$3,613 million.

The underlying net profit attributable to shareholders dropped by 18% to HK\$1,281 million, mainly due to lower operating leasing profits and higher finance costs. The underlying earnings per share declined correspondingly to HK\$0.94.

When including a net revaluation loss on properties attributable to shareholders of HK\$393 million (2023: net revaluation gain of HK\$122 million), the Group reported a net profit attributable to shareholders of HK\$888 million (2023: HK\$1,682 million). The corresponding earnings per share was HK\$0.65 (2023: HK\$1.24).

Revenue and Operating Profit for the Six Months Ended June 30

	Revenue			Operating Profit/(Loss)		
	2024 HK\$ Million	2023 HK\$ Million	Change	2024 HK\$ Million	2023 HK\$ Million	Change
Property Leasing	5,151	5,523	-7%	3,624	4,066	-11%
Mainland China	3,537	3,775	-6%	2,355	2,640	-11%
Hong Kong	1,614	1,748	-8%	1,269	1,426	-11%
Property Sales	1,228	2	N/A	(11)	(32)	66%
Mainland China	25	–	N/A	(20)	(20)	–
Hong Kong	1,203	2	N/A	9	(12)	N/A
Total	6,379	5,525	15%	3,613	4,034	-10%

DIVIDEND

The board of directors (the “Board”) of the Company has declared an interim dividend of HK21 cents per share for 2024 (2023: HK21 cents) to be paid in cash on September 25, 2024, to shareholders whose names are listed on the register of members on August 16, 2024.

PROPERTY LEASING

The overall rental revenue decreased by 7% to HK\$5,151 million for the six months ended June 30, 2024. After considering the RMB depreciation against the same period last year, the rental revenue of our Mainland portfolio retreated by 4% in RMB terms and 6% in HKD terms. Our Hong Kong portfolio recorded an 8% drop in rental revenue.

On the Mainland, our total rental revenue and tenant sales fell by 4% and 13%, respectively, in RMB terms in the first half of the year. Luxury retail consumption remained sluggish after the strong rebound in the first half of 2023, with waning momentum and softening sentiment continuing into 2024. Confidence of our tenants in our malls’ leadership position in respective cities remains, the overall occupancy rate continued to rise despite the decline in sales rent. Ongoing trade mix refinement, customer-centric promotions and relevant events supported business momentum. Our offices, particularly those in Shanghai, continue to face challenges resulting from an oversupply of office premises and weak demand. To attract and engage potential tenants, we will continue to provide the highest customer service and property management standards.

Hong Kong’s market experienced a slower-than-expected recovery in the first half of the year. Our rental revenue and operating profit receded by 8% and 11%, respectively. Uncertainties in the geopolitical and economic environment resulted in negative reversions of some anchor tenants in the first half of the year. Although our revenue reported a decline, the occupancy was well-managed and remained high. To increase footfall and stimulate consumer spending, we will continue to optimize our tenant mix and launch a variety of “hello Hang Lung Malls Rewards Program” incentives.

Mainland China¹

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

	Revenue		
	(RMB Million)		
	2024	2023	Change
Malls	2,414	2,496	-3%
Offices	668	701	-5%
Residential & Serviced Apartments	68	74	-8%
Hotel	64	62	3%
Total	3,214	3,333	-4%
<i>Total in HK\$ Million equivalent</i>	3,537	3,775	-6%

Overall rental revenue and operating profit in RMB terms decreased by 4% and 8%, respectively. The depreciation of the RMB during the period inflated the decline to 6% and 11%, respectively, in HKD terms. Cooling consumer sentiment in the local luxury market and the rising number of outbound travelers for luxury spending were the main factors of the 3% slide in our mall revenue. Due to the soft demand for office space within a highly competitive market, our premium office portfolio dropped by 5%. Our hotel operations delivered a mild growth in revenue of 3% period-on-period due to continued increase in the number of business and leisure travels.

- *Malls*

Due to the high base comparison in the first half of 2023, when consumer sentiment swiftly rebounded in January 2023 following the lifting of COVID-19 counter-measures, the revenue of our mall portfolio for the period fell by 3% and our luxury-positioned malls retreated by 4%. Declining consumer sentiment in the luxury market continued in the first half of 2024; however as of June 2024, overall occupancy remained high. Occupancy of our sub-luxury malls continued to improve with revenue growth ranging from 1% at Parc 66 in Jinan to 15% at Riverside 66 in Tianjin.

¹ Percentage changes in respect of the mainland China portfolio are expressed in RMB terms unless otherwise specified.

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

Name of Mall and City	Revenue (RMB Million)			Period-end Occupancy Rate		
	2024	2023	Change	June 2024	December 2023	June 2023
Luxury malls						
Plaza 66, Shanghai	819	891	-8%	100%	100%	100%
Grand Gateway 66, Shanghai	589	613	-4%	97%	99%	98%
Forum 66, Shenyang	43	50	-14%	82%	81%	84%
Center 66, Wuxi	226	226	–	99%	98%	99%
Olympia 66, Dalian	144	133	8%	93%	90%	89%
Spring City 66, Kunming	152	154	-1%	98%	98%	97%
Heartland 66, Wuhan	119	122	-2%	83%	82%	81%
	2,092	2,189	-4%			
Sub-luxury malls						
Palace 66, Shenyang	80	78	3%	92%	90%	86%
Parc 66, Jinan	158	156	1%	92%	93%	89%
Riverside 66, Tianjin	84	73	15%	94%	90%	80%
	322	307	5%			
Total	2,414	2,496	-3%			

Influenced by weakening consumer sentiment in the luxury market, particularly in Shanghai, the revenue of our luxury malls decreased by 4% in the first half of 2024, partly compensated by the growth at Olympia 66 in Dalian. Our sub-luxury malls recorded an increase of 5% in revenue period-on-period. Continual growth in occupancy and footfall was achieved, thanks to robust promotion and marketing efforts and the refinement of our tenant mix which enhance the retail offering and customer's experience.

Luxury malls

Our flagship **Plaza 66** mall in Shanghai maintained its leading position in the luxury market, with full occupancy recorded at the end of the period. Our top-tier customers remained active to purchase exclusive and luxurious products offered in the mall. Drop in revenue and tenant sales by 8% and 23%, respectively, mainly because our lower-tier customers were more cautious on luxury spending and looking for bargain from outbound travels. To solidify our market position, we continued to leverage our customer relationship management (CRM) program, HOUSE 66, to further engage loyal customers and attract new members. In April, the “Spring Wonderland” celebration was held in collaboration with international luxury brands, offering customers an enthralling shopping experience.

Our other mall in Shanghai, **Grand Gateway 66**, which offers more lifestyle content than its flagship sister, reported a decline in revenue and tenant sales of 4% and 14%, respectively, in the first half of the year. To encourage consumer engagement, marketing campaigns were launched during Chinese New Year and other festive periods. We also hosted an exclusive in-mall “Love in the Summer” event, which became the talk of the town, attracting widespread attention on social media and generating excellent foot traffic. The occupancy rate remained high at 97% at the end of the period.

Revenue and tenant sales of the **Forum 66** mall in Shenyang decreased by 14% and 20%, respectively, as market conditions stayed challenging. Collaborative marketing campaigns with Palace 66 in Shenyang generated positive synergy and enhanced customer experiences. The occupancy rate was 82% as of June 2024.

Revenue and tenant sales of **Center 66**, the leading luxury retail mall in Wuxi, remained stable. The opening of several top-tier luxury brands in late 2023 further enhanced the mall’s reputation as a leading luxury destination. The mall was almost fully occupied at the end of the period.

Olympia 66 in Dalian demonstrated a remarkable transformation into a regional luxury landmark. As the mall attracted more premium brands—particularly in beauty and cosmetics—revenue and tenant sales climbed by 8% and 2%, respectively. The upgrade in retail content of trade categories such as food and beverage, athleisure, fashion and accessories, etc. also enriched our offering for one-stop shopping experience. Captivating marketing initiatives, such as the mall’s signature “Blooming Dreams” event in April, continued to lift consumer sentiment. The occupancy rate grew by four points to 93% against the same period last year.

Stemming from a dip in consumer sentiment in Kunming, revenue and tenant sales of the **Spring City 66** mall receded by 1% and 6%, respectively. Several signature events, including the “520” festival in May, were rolled out to boost consumer engagement and footfall. Entering its fifth year of operations, the mall further enhanced its base rents and management fees while occupancy stayed high at 98%.

Against the first half of 2023, revenue and tenant sales of the **Heartland 66** mall in Wuhan reduced by 2% and 15%, respectively. In April, the mall launched various sales-driven promotional activities celebrating its third anniversary, to encourage consumption and footfall. To provide privileged shopping experiences for our HOUSE 66 members, Heartland 66’s VIC lounge, The Lounge, was opened in May. The occupancy rate was 83% as of June 2024.

Sub-luxury malls

Following a series of compelling marketing initiatives, including Chinese New Year promotions and music performances, the revenue and tenant sales of **Palace 66** in Shenyang rose by 3% and 2%, respectively, during the period under review. We continued to enhance our brand mix to help expand our target customer base. The occupancy rate grew by six points to 92%. The upcoming food court renovations are set to improve the mall’s food and beverage outlets, appealing to a boarder range of preferences and boosting footfall.

Revenue of **Parc 66** in Jinan edged up by 1% period-on-period. Multiple beauty and brand stores exclusively opened following the completion of the first phase of the mall’s Asset Enhancement Initiative (AEI). The AEI’s remaining phases are expected to conclude between late 2024 and early 2025, helping the rejuvenated mall continue to strengthen its long-term competitiveness and profitability. The occupancy rate climbed by three points to 92% against the same period last year.

Revenue and tenant sales of **Riverside 66** in Tianjin rose by 15% and 9%, respectively, period-on-period. The occupancy rate increased by 14 points to 94%. Thanks to relentless promotion activities and placemaking initiatives, such as our New Year's Eve countdown, begonia flower decorations on our centennial wall in April, a youth art festival in May, and the addition of a jewelry garden and a kids' amusement zone, we attracted more customers to the area, boosting footfall and sales.

- *Offices*

Our office portfolio continued to provide a stable source of income, comprising around 21% of our total Mainland rental revenue. As a result of robust competition in the office leasing market in Shanghai and Shenyang, the total revenue declined by 5% to RMB668 million period-on-period. Although demand for office space was low, our office towers in Wuxi continued to report a slight growth in occupancy from an upward trajectory.

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

Name of Office and City	Revenue (RMB Million)			Period-end Occupancy Rate		
	2024	2023	Change	June 2024	December 2023	June 2023
Plaza 66, Shanghai	312	335	-7%	88%	96%	98%
Grand Gateway 66, Shanghai	112	121	-7%	87%	86%	85%
Forum 66, Shenyang	61	64	-5%	90%	89%	86%
Center 66, Wuxi	60	59	2%	89%	85%	83%
Spring City 66, Kunming	70	70	–	87%	88%	87%
Heartland 66, Wuhan	53	52	2%	68%	76%	72%
Total	668	701	-5%			

The office leasing market in Shanghai faced challenges owing to an increase in the supply of office space and soft demand. Our two Grade A office towers at **Plaza 66** in Shanghai recorded a fall in revenue of 7% and a decline in the occupancy rate by 10 points to 88% against the same period last year following the expiry of a few anchor tenant leases.

Revenue of the office tower at **Grand Gateway 66** in Shanghai decreased by 7% due to the oversupply of new office premises in the district and weak market sentiment. The occupancy rate gradually picked up to 87% as of June 2024, an increase of two points against the same period last year.

The office tower at **Forum 66** in Shenyang experienced a dip in revenue of 5% although the occupancy rate rose by four points to 90% against the same period last year. Owing to a growing supply of office space and continuing soft demand, local market conditions remain challenging.

Thanks to the occupancy rate growth of six points to 89% against period-end June 2023, the total revenue of the two office towers at **Center 66** in Wuxi rose by 2%. Our high-quality offerings and superior services allowed us to keep our unit rents consistent during the period.

Our office tower at **Spring City 66** in Kunming maintained revenue at a stable level in the first half of 2024, benefiting from the location's premium services and facilities. Occupancy has remained steady at 87% throughout the first half of the year.

Revenue of the **Heartland 66** Office Tower in Wuhan climbed by 2% period-on-period despite the occupancy rate dropped by four points to 68% at the end of the reporting period. Our high specifications and easily accessible transport network differentiated us from our peers in the region amid strong competition in Wuhan. Since its opening in March 2023, our self-operated multifunctional workspace, HANGOUT, has broadened our tenant base and attracted numerous influential corporations, including Fortune 500 pharmaceutical companies and several of China's top 500 insurance companies.

- *Residential & Serviced Apartments*

Revenue from the residential and serviced apartments at Grand Gateway 66 in Shanghai dropped by 8%. Revenue generated by a higher average room rate was offset by a decline in the occupancy rate due to the departure of foreigners in the city.

- *Hotel*

Revenue grew by 3% in the first half of 2024. Our room revenue increased by 9%, benefiting from local authorities' efforts to promote business and leisure travel in the region, despite it was partially offset by the slight decline in the food and beverage business.

Hong Kong

Affected by changes in consumption and travel patterns, the first half of 2024 was another challenging period for the retail market in Hong Kong. The office market exerted downward pressure on rental prices due to an imbalance in supply and demand.

Revenue and operating profit retreated by 8% to HK\$1,614 million and by 11% to HK\$1,269 million, respectively, with a rental margin of 79%.

Occupancy has been well-managed and achieved a high level thanks to the ongoing refinement of our trade and brand mix to cater the preferences and behaviors of locals and tourists.

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

	Revenue			Period-end Occupancy Rate		
	(HK\$ Million)			June	December	June
	2024	2023	Change	2024	2023	2023
Retail	950	1,019	-7%	97%	95%	97%
Offices and Industrial/Office	563	607	-7%	90%	89%	88%
Residential & Serviced Apartments	101	122	-17%	73%	77%	66%
Total	1,614	1,748	-8%			

- *Retail*

Revenue from our Hong Kong retail portfolio dropped by 7% to HK\$950 million. To tackle changes in customer spending patterns, we will continue to refine and diversify our trade and brand mix to appeal to locals and visitors alike. The overall occupancy remained high at 97% as of the reporting date.

Amid declining market sentiment, tenant sales decreased slightly by 3%. We will continue to launch targeted marketing campaigns under the “hello Hang Lung Malls Rewards Program” to encourage consumption and footfall.

As a result of the negative rental reversions of some anchor tenants, the revenue from retail properties in our **Central Business and Tourist District Portfolio** receded by 10%. Overall occupancy remained high at 96% at the end of the reporting period.

Our **Community Mall Portfolio** was relatively resilient, with overall revenue recording a mild decline of 4% against the same period last year. As of the reporting date, occupancy at Kornhill Plaza in Hong Kong East and Amoy Plaza in Kowloon East remained strong at 98% and 95%, respectively.

- *Offices and Industrial/Office*

As a result of sluggish demand and abundant supply on Hong Kong Island, our office revenue reduced by 7% to HK\$563 million following negative rental reversions. As of the reporting date, proactive measures were implemented to maintain a relatively high occupancy level of 90%.

In a challenging market environment, the revenue of our **Hong Kong Island Portfolio** recorded a 14% decline following negative rental reversions, mainly in Central; however, occupancy remained at 83%.

Revenue of our **Kowloon Portfolio** climbed by 2% with the occupancy level achieved 96% due to a more resilient semi-retail positioning of Grand Plaza and Gala Place and a strategic focus on medical businesses at Grand Centre.

- *Residential & Serviced Apartments*

Revenue of our residential and serviced apartments segment decreased by 17% period-on-period, primarily because of the necessary removal of tenants at The Summit in the Mid-Levels district for renovations beginning in September 2023. If excluding the impacts of The Summit, revenue grew by 1% period-on-period, primarily due to improvements in occupancy at Burnside Villa in Repulse Bay.

PROPERTY SALES

Revenue of HK\$1,228 million was recognized for the sale of 114 residential units at The Aperture and one house on Blue Pool Road in Hong Kong, and four units at Heartland Residences in Wuhan during the reporting period. In the first half of 2023, revenue of HK\$2 million was recognized for the sale of four car parking spaces. An operating loss from property sales of HK\$11 million was recorded in the first half of 2024, after considering the gross profit from the sale of properties in the Mainland and Hong Kong and corresponding selling expenses, the marketing expenses for the Grand Hyatt Residences Kunming and Center Residences in Wuxi, and other operating expenditures.

As of June 30, 2024, the contracted property sales amounted to HK\$385 million, comprising pre-sale of 12 units at The Aperture, one house on Blue Pool Road, one unit at Heartland Residences, and five units at Grand Hyatt Residences Kunming. The revenue is expected to be recognized upon sale completion.

PROPERTY REVALUATION

As of June 30, 2024, the total value of our investment properties and those under development amounted to HK\$201,301 million, including the mainland China portfolio of HK\$137,261 million and the Hong Kong portfolio of HK\$64,040 million. These properties were appraised by Savills, an independent valuer, as of June 30, 2024.

A revaluation loss of HK\$715 million was recorded (2023: gain of HK\$241 million).

The mainland China portfolio recorded a revaluation loss of HK\$433 million (2023: gain of HK\$208 million), representing less than 1% of the portfolio value.

The Hong Kong portfolio had a revaluation loss of HK\$282 million (2023: gain of HK\$33 million), representing a less than 1% decrease against the value as of December 31, 2023.

Net revaluation loss after tax and non-controlling interests of HK\$393 million was reported (2023: net revaluation gain of HK\$122 million).

PROPERTY DEVELOPMENT AND CAPITAL COMMITMENT

The aggregated values of our projects under development for leasing and sale were HK\$24,430 million and HK\$7,825 million, respectively. These comprised mainland China projects in Kunming, Wuxi, Hangzhou, Shanghai and Shenyang, as well as redevelopment projects in Hong Kong. As of the reporting date, our capital commitments for the development of investment properties amounted to HK\$15 billion.

Mainland China

Grand Hyatt Residences Kunming (昆明君悦居) and **Grand Hyatt Kunming** are integral components of the remaining Spring City 66 development. The Residences sit above the hotel and house 254 apartment units, including three premium penthouses. Grand Hyatt Kunming features 331 guestrooms and suites. The sales launch of the Residences commenced at the end of 2023. Completion certificates of both properties were obtained in April 2024. The opening of the Grand Hyatt Kunming is planned in the third quarter of 2024.

Center Residences (無錫恒隆府) in Wuxi and **Curio Collection by Hilton**, a lifestyle boutique hotel, form the Phase 2 development of Center 66. The Residences comprise two high-rise residential towers housing 573 units. There will also be a seven-story new-build tower and a three-story heritage building offering a combined total of 105 hotel rooms. Construction is on track with topping-out occurring in December 2023. The project is scheduled for completion in phases from 2025 onwards. The Center Residences pre-sale is subject to market conditions, while the opening of Curio Collection by Hilton is slated for the second half of 2025.

Westlake 66 in Hangzhou is an integrated high-end commercial development comprising a retail podium, five Grade A office towers, and a luxury hotel: **Mandarin Oriental Hangzhou**. Featuring more than 190 premium guestrooms and suites, the hotel is expected to open in the second half of 2026. The remaining sections of the development are scheduled for completion in phases from 2025 onwards. Westlake 66 recently won the Gold Award in the “Best New Mega Development” Category at the MIPIM Asia Awards 2023 in recognition of its ingenious blend of Hangzhou’s urban cultural heritage with the intricate details and sophisticated aesthetic of modern architecture.

To enhance our offering at **Plaza 66** in Shanghai, we have obtained approval from the local government to utilize an existing landscape area to build a retail structure, with a gross floor area of approximately 3,000 square meters. Expected to be completed in 2026, the development will provide customers with a more comprehensive shopping experience and further strengthen the mall’s leading position in the city.

Design and planning works of the remaining mixed-use development of **Forum 66** in Shenyang are ongoing.

Hong Kong

The construction of The Aperture was completed in the first half of 2024. The residential and retail portions were classified as completed properties held for sale and investment properties, respectively.

The land acquisition at 37 Shouson Hill Road in the Southern District of Hong Kong Island was completed in February 2021. The land site will be redeveloped into luxurious detached houses, and the general building plan was approved in August 2022. Demolition work is expected to commence in the second half of 2024.

FINANCING MANAGEMENT

We have maintained an appropriate capital structure with multiple financing channels to ensure that financial resources are always available to meet operational needs and corporate expansions. A sufficient level of standby banking facilities is in place to cushion the Group from any unexpected external economic shocks. All financial risk management, including debt refinancing, foreign exchange exposure, and interest rate volatility, is centrally managed and controlled at the corporate level.

Funding needs are closely monitored and regularly reviewed to allow for a fair degree of financial flexibility and liquidity while optimizing the cost of funds. We also maintain various sources of debt financing to mitigate concentration risks.

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

As part of our environmental, social and governance (ESG) initiatives, the Group continues to make more use of sustainable finance. During the first half of 2024, we issued green bonds worth RMB0.8 billion and obtained RMB1.9 billion in green loan facilities and HK\$3.2 billion in sustainability-linked loan facilities. These are collectively referred to sustainable finance, which now accounts for 60% of our total debts and available facilities as of June 30, 2024.

- *Cash Management*

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

	At June 30, 2024		At December 31, 2023	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Denominated in:				
HKD	4,340	60%	3,798	60%
RMB	2,877	40%	2,370	37%
USD	1	–	175	3%
Total cash and bank balances	7,218	100%	6,343	100%

All deposits are placed with banks carrying strong credit ratings. Counterparty risk is routinely monitored.

- *Debt Portfolio*

At the balance sheet date, total borrowings amounted to HK\$53,715 million (December 31, 2023: HK\$50,693 million), of which 35% was denominated in RMB, which acts as a natural hedge to net investments in mainland China.

Our fixed-rate borrowings primarily consist of bonds, fixed-rate bank loans and floating-rate bank loans that are converted to fixed-rate through the use of interest rate swaps. The percentage of fixed-rate borrowings accounted for 41% of total borrowings as of June 30, 2024. After excluding the onshore floating-rate debts, the percentage of fixed-rate borrowings would be 55% of total offshore borrowings as of June 30, 2024 (December 31, 2023: 50%).

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

(i) by currency (after currency swap):

	At June 30, 2024		At December 31, 2023	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Denominated in:				
HKD	34,964	65%	35,909	71%
RMB	18,751	35%	14,784	29%
Total borrowings	53,715	100%	50,693	100%

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

	At June 30, 2024		At December 31, 2023	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Fixed	21,821	41%	18,576	37%
Floating	31,894	59%	32,117	63%
Total borrowings	53,715	100%	50,693	100%

- *Gearing Ratios*

At the balance sheet date, the net debt balance amounted to HK\$46,497 million (December 31, 2023: HK\$44,350 million). The net debt to equity ratio was 30.2% (December 31, 2023: 28.6%), and the debt to equity ratio was 34.9% (December 31, 2023: 32.7%). The increase in net debt to equity ratio was largely due to the increase in borrowings primarily used for capital expenditures in both mainland China and Hong Kong.

Excluding the balances of Hang Lung Properties Limited and its subsidiaries (collectively known as “Hang Lung Properties”), the Company and its other subsidiaries had a net cash balance of HK\$159 million (December 31, 2023: HK\$1,002 million).

- *Maturity Profile and Refinancing*

At the balance sheet date, the average tenure of our debt portfolio was 3.0 years (December 31, 2023: 3.0 years). The maturity profile was staggered over more than 12 years. Around 65% of our outstanding debt would be repayable after two years.

	At June 30, 2024		At December 31, 2023	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Repayable:				
Within 1 year	6,011	11%	4,434	9%
After 1 but within 2 years	12,672	24%	14,091	28%
After 2 but within 5 years	31,540	59%	27,768	55%
Over 5 years	3,492	6%	4,400	8%
Total borrowings	53,715	100%	50,693	100%

As of June 30, 2024, total undrawn committed banking facilities amounted to HK\$15,605 million (December 31, 2023: HK\$18,567 million). The available balances of the US\$4 billion (December 31, 2023: US\$4 billion) medium-term note program amounted to US\$2,107 million, equivalent to HK\$16,452 million (December 31, 2023: HK\$17,584 million).

Excluding the balances of Hang Lung Properties, the undrawn committed banking facilities of the Company and its other subsidiaries amounted to HK\$1,350 million (December 31, 2023: HK\$2,850 million).

- *Net Finance Costs and Interest Cover*

For the first half of 2024, gross finance costs rose by 19% to HK\$1,069 million following the higher average effective cost of borrowing of 4.4% (2023: 4.0%) (attributed to the higher interest rate environment) and the increase in borrowings primarily for capital expenditure.

The net amount charged to the statement of profit or loss (after excluding capitalized amounts) increased to HK\$461 million accordingly.

Interest cover for the six months of 2024 was 3.2 times (2023: 4.4 times).

- *Foreign Exchange Management*

The primary exchange rate risk that we are exposed to is RMB fluctuations. Such RMB exposure is mainly derived from the currency translation risk arising from the net assets of our subsidiaries in mainland China.

We practice strict discipline of not speculating on the exchange rate movement of RMB against HKD and maintaining an appropriate level of RMB-denominated resources for capital requirements in mainland China, including cash inflows from local operations and RMB-denominated borrowings. Regular business reviews are carried out to assess the level of funding needed for our projects in mainland China, taking into account factors such as regulatory updates, project development timelines, and the macroeconomic environment. Appropriate modifications to our funding plan will be conducted whenever necessary.

As of June 30, 2024, net assets denominated in RMB accounted for approximately 69% of our total net assets. RMB depreciated against the HKD by 0.7% compared to that as of December 31, 2023. The translation of these net assets from RMB into HKD at the exchange rate as of the reporting date resulted in a translation loss of HK\$725 million (2023: loss of HK\$3,576 million), recognized in other comprehensive income/exchange reserve.

- *Charge of Assets*

None of the Group's assets was charged to third parties as of June 30, 2024.

- *Contingent Liabilities*

The Group had no material contingent liabilities as of June 30, 2024.

CORPORATE INITIATIVES

Renewable Energy Powers 50% of Hang Lung's Mainland Properties

With power purchase agreements effective from April 1, 2024, half of Hang Lung's operating properties in mainland China are now powered by renewable energy. This remarkable milestone in Hang Lung's sustainability journey benefits five properties across four cities, including Plaza 66 and Grand Gateway 66 in Shanghai, Center 66 in Wuxi, Spring City 66 in Kunming, and Parc 66 in Jinan. Hang Lung is already set to go well beyond its 2025 sustainability target of 25% renewable energy for the Mainland portfolio.

Tenant Partnership Program Celebrates Sustainability Efforts

Launched in December 2023, Hang Lung's Changemakers: Tenant Partnerships on Sustainability program fosters collaboration between landlords and tenants to address sustainability challenges that affect our properties, occupants, and communities in Hong Kong and mainland China. Open to all tenants, the program recognizes efforts to reduce carbon emissions, minimize waste, advance circularity, and enhance community wellbeing.

Altogether 16 Hong Kong and Mainland tenants across 14 properties are participating in the program's pilot phase, covering a combined leased area of more than 78,000 square meters. Our participating tenants include local and multinational companies across various industries, including banking and finance, luxury retail, lifestyle retail, food and beverage, and technology.

Hang Lung Supports Dementia Patients and Their Carers

Hang Lung's three-year "Love·No·Limit" Dementia Friendly Program returned for a second edition in June 2024. Seeking to create a diverse and inclusive community, the program offers respite for elderly people with dementia, including leisure activities for carers and cognitive training for patients. Amoy Plaza is not only the first shopping mall in Hong Kong with Carer Cafés in partnership with food and beverage tenants, but also the site of a dedicated station for free cognitive assessments and referrals plus carer consultations.

OUTLOOK

An uncertain and complicated macroeconomic environment follows us into the second half of 2024. High interest rate environment would persist but the transition to a downward trend is expected to improve the sentiment of global economy. The Mainland and Hong Kong governments have embarked on numerous stimulus measures to stimulate consumer confidence and business momentum, for which signs of recovery are yet to be seen. We will continue enhancing our operational flexibility to successfully navigate economic downturns.

In mainland China, despite economic headwinds, wealthy consumers are now seeking exclusive shopping experiences in addition to luxury items. We welcomed our second VIC lounge at Heartland 66 in Wuhan during May 2024, following the success of our first location at Plaza 66 in Shanghai. A third VIC lounge at Spring City 66 in Kunming is expected to open by the end of the year. We remain committed to engaging our top-tier customers with outstanding services and leveraging our portfolio-wide HOUSE 66 CRM program to bolster shopper loyalty. Efforts to refine the tenant mix at our sub-luxury malls are paying off as occupancy and foot traffic start to increase. Despite setbacks for our office portfolio during this challenging time, our Grade A office premises in central downtown areas will draw high-quality tenants when business confidence returns.

Hong Kong continues grappling with a persistent drop in consumer sentiment, stiff competition from mega malls in neighboring regions, and shifting tourism spending patterns. Themed promotions and improved in-store experiences and interactions with loyal customers through our “hello Hang Lung Malls Rewards Program” will offset a conservative outlook for retail performance in the second half of 2024. Given current market conditions, demand for office leasing is expected to remain soft for the rest of the year.

Subject to market conditions, we will continue the rollout of Hang Lung Residence, our premium serviced residences in mainland China, which comprises Heartland Residences in Wuhan, Grand Hyatt Residences in Kunming, and Center Residences in Wuxi. Our exceptional product quality and premium management services set us apart from our peers to attract discerning customers when the economy improves.

CORPORATE GOVERNANCE

We are committed to maintaining the highest standards of corporate governance. During the six months ended June 30, 2024, we adopted corporate governance principles that emphasize a qualified Board of Directors (the “Board”), sound internal controls, and effective risk management to enhance transparency and accountability towards our stakeholders. The general framework of our corporate governance practices is set out in our corporate governance report in the 2023 annual report, which is available on our website under “Financial Report” in the “Financial Information” subsection of the “Investor” section.

The Board

The Board comprises three Executive Directors, three Non-Executive Directors, and five Independent Non-Executive Directors. The Independent Non-Executive Directors make up 45.5% of the Board, surpassing the requirement of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). An updated list of Board members with their roles and functions and whether they are Independent Non-Executive Directors is maintained on both our website and the website of Hong Kong Exchanges and Clearing Limited (“HKEX”). The biographical details of the Board members are also available on our website under “Our Management” of the “Corporate Governance” section. There is a clear division of responsibilities between the Chair and the Chief Executive Officer to ensure a balance of power and authority. The Board meets six times a year and continues to review its practices from time to time, constantly seeking to improve the corporate governance practices of the Company and its subsidiaries (the “Group”) in accordance with international best practices.

Nomination and Remuneration Committee

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

Audit Committee

Our Audit Committee, which is chaired by an Independent Non-Executive Director, currently consists of three Independent Non-Executive Directors and one Non-Executive Director. The Committee members meet at least four times a year. Meetings are attended by external and internal auditors, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary for the purposes of, inter alia, discussing the nature and scope of internal audit work and assessing the Company's internal controls. The terms of reference of the Committee, which include the duties pertaining to corporate governance functions and the oversight of risk management, are available on both our website under "Audit Committee" of the "Corporate Governance" section, and the website of HKEX. The Audit Committee has reviewed this interim report, including the unaudited interim financial report for the six months ended June 30, 2024, and has recommended their adoption by the Board.

This unaudited interim financial report was reviewed by KPMG, our auditor, in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. The Independent Auditor's Review Report is set out on pages 39 and 40 of this interim report.

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

During the six months ended June 30, 2024, we complied with the code provisions set out in the Corporate Governance Code as stated in Appendix C1 to the Listing Rules.

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

We have adopted a code of conduct with regard to securities transactions by Directors (the "Code of Conduct") on terms that are no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "Model Code"). The Company has made specific enquiries with all Directors and confirmed that they have complied with the required standard set out in the Model Code and the Code of Conduct throughout the six months ended June 30, 2024.

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

As at June 30, 2024, the interests or short positions of each Director in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code or which were recorded in the register required to be kept by the Company under section 352 of the SFO were as follows:

Name	Capacity	The Company (Long Positions)		Hang Lung Properties Limited (Long Positions)		
		Number of Shares	% of Total Number of Issued Shares	Number of Shares	% of Total Number of Issued Shares	Number of Share Options <i>(Note 3)</i>
Adriel Chan	Personal & Other	551,502,580 <i>(Notes 1 & 2)</i>	40.50	3,008,793,632 <i>(Note 2)</i>	63.85	13,200,000
Weber W.P. Lo	Personal	460,000	0.03	1,037,266	0.02	21,750,000
Gerald L. Chan	–	–	–	–	–	–
Simon S.O. Ip	–	–	–	–	–	–
P.W. Liu	Personal & Family	–	–	100,000	–	–
L.C. Tsui	–	–	–	–	–	–
Martin C.K. Liao	–	–	–	–	–	–
George K.K. Chang	–	–	–	–	–	–
Roy Y.C. Chen	–	–	–	–	–	–
May S.B. Tan	–	–	–	–	–	–
Kenneth K.K. Chiu	Personal	–	–	–	–	6,200,000

Notes:

- Other interests included 28,579,500 shares of the Company held by a trust of which Mr. Adriel Chan was a settlor and a discretionary beneficiary. Accordingly, Mr. Adriel Chan was deemed to be interested in such shares under the SFO.
- Other interests included another 522,423,080 shares of the Company and 3,008,256,189 shares of Hang Lung Properties Limited ("HLP") held or deemed to be held by another trust of which Mr. Adriel Chan was a discretionary beneficiary. Accordingly, Mr. Adriel Chan was deemed to be interested in such shares under the SFO. Mr. Adriel Chan was also personally interested in 500,000 shares of the Company and 537,443 shares of HLP respectively.
- Movements of Directors' share options under the share option scheme of HLP adopted on April 18, 2012 (the "2012 Share Option Scheme") and another share option scheme of HLP adopted on April 27, 2022 (the "2022 Share Option Scheme") are set out under the section below headed under "Share Option Schemes".

Save as disclosed above, none of the Directors had, as at June 30, 2024, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO).

Other than as stated above, at no time during the six months ended June 30, 2024 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEMES

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

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

Pursuant to the resolutions passed by the shareholders of the Company and HLP at their respective annual general meetings held on April 27, 2022, the 2022 Share Option Scheme was adopted and became effective on the same date for a period of 10 years. Upon the adoption of the 2022 Share Option Scheme, the 2012 Share Option Scheme was terminated upon its expiry.

As at January 1, 2024, no further share option shall be granted under the 2012 Share Option Scheme and the total number of share options available for grant under the 2022 Share Option Scheme was 282,875,550.

During the six months ended June 30, 2024, no share option was granted under the 2022 Share Option Scheme. As at June 30, 2024, the total number of share options available for grant under the 2022 Share Option Scheme was 282,875,550.

As at the date of this interim report, the total number of shares available for issue in respect of the share options granted under the 2012 Share Option Scheme and the 2022 Share Option Scheme were 200,893,200 and 49,544,000, respectively, representing approximately 4.3% and 1.1% of the total number of issued shares of HLP. As at the date of this interim report, the total number of shares available for issue in respect of which options may be granted under the 2022 Share Option Scheme was 282,875,550, representing approximately 6.0% of the total number of issued shares of HLP.

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

The number of HLP shares that may be issued in respect of options granted under the Share Option Schemes during the six months ended June 30, 2024 divided by the weighted average number of HLP ordinary shares in issue for the six months ended June 30, 2024 is 0.02.

Movements of share options under the 2012 Share Option Scheme during the six months ended June 30, 2024 were set out below:

Date of Grant	Category of Participants <i>(Note 1)</i>	Number of Share Options				Outstanding as at Jun 30, 2024	Exercise Price per Share HK\$	Vesting Dates <i>(Note 2)</i>	Expiry Date <i>(Note 2)</i>
		Outstanding as at Jan 1, 2024	Granted during the Period	Exercised during the Period	Lapsed/ Forfeited during the Period				
Dec 5, 2014	<i>Honorary Chair:</i> Ronnie C. Chan <i>(Note 3)</i>	2,750,000	–	–	–	2,750,000	22.60 Dec 5, 2016: 10% Dec 5, 2017: 20% Dec 5, 2018: 30% Dec 5, 2019: 40%	Dec 4, 2024	
	<i>Director:</i> Adriel Chan	150,000	–	–	–	150,000			
	<i>Director of HLP</i>	2,500,000	–	–	–	2,500,000			
	<i>Employees</i>	13,350,000	–	–	(530,000)	12,820,000			
		18,750,000	–	–	(530,000)	18,220,000			
Aug 10, 2017	<i>Honorary Chair:</i> Ronnie C. Chan <i>(Note 3)</i>	1,925,000	–	–	–	1,925,000	19.98 Aug 10, 2019: 10% Aug 10, 2020: 20% Aug 10, 2021: 30% Aug 10, 2022: 40%	Aug 9, 2027	
	<i>Director:</i> Adriel Chan	1,850,000	–	–	–	1,850,000			
	<i>Director of HLP</i>	2,500,000	–	–	–	2,500,000			
	<i>Employees</i>	21,380,000	–	–	(580,000)	20,800,000			
		27,655,000	–	–	(580,000)	27,075,000			
May 16, 2018	<i>Director:</i> Weber W.P. Lo	10,000,000	–	–	–	10,000,000	18.98 May 16, 2020: 10% May 16, 2021: 20% May 16, 2022: 30% May 16, 2023: 40%	May 15, 2028	
		10,000,000	–	–	–	10,000,000			
Jun 28, 2019	<i>Honorary Chair:</i> Ronnie C. Chan <i>(Note 3)</i>	3,025,000	–	–	–	3,025,000	18.58 Jun 28, 2021: 10% Jun 28, 2022: 20% Jun 28, 2023: 30% Jun 28, 2024: 40%	Jun 27, 2029	
	<i>Directors:</i> Adriel Chan	2,200,000	–	–	–	2,200,000			
	Weber W.P. Lo	2,750,000	–	–	–	2,750,000			
	<i>Employees</i>	31,716,100	–	–	(1,573,000)	30,143,100			
		39,691,100	–	–	(1,573,000)	38,118,100			

Movements of share options under the 2012 Share Option Scheme during the six months ended June 30, 2024 were set out below:

Date of Grant	Category of Participants <i>(Note 1)</i>	Number of Share Options				Outstanding as at Jun 30, 2024	Exercise Price per Share HK\$	Vesting Dates <i>(Note 2)</i>	Expiry Date <i>(Note 2)</i>
		Outstanding as at Jan 1, 2024	Granted during the Period	Exercised during the Period	Lapsed/ Forfeited during the Period				
May 12, 2021	<i>Honorary Chair:</i> Ronnie C. Chan <i>(Note 3)</i>	3,300,000	-	-	-	3,300,000	19.95	May 12, 2023: 10% May 12, 2024: 20% May 12, 2025: 30% May 12, 2026: 40%	May 11, 2031
	<i>Directors:</i> Adriel Chan	3,000,000	-	-	-	3,000,000			
	Weber W.P. Lo	3,000,000	-	-	-	3,000,000			
	<i>Employees</i>	45,221,000	-	-	(3,130,500)	42,090,500			
		54,521,000	-	-	(3,130,500)	51,390,500			
Oct 6, 2021	<i>Director:</i> Kenneth K.K. Chiu	2,000,000	-	-	-	2,000,000	17.65	Oct 6, 2023: 10% Oct 6, 2024: 20% Oct 6, 2025: 30% Oct 6, 2026: 40%	Oct 5, 2031
		2,000,000	-	-	-	2,000,000			
Feb 21, 2022	<i>Honorary Chair:</i> Ronnie C. Chan <i>(Note 3)</i>	3,300,000	-	-	-	3,300,000	16.38	Feb 21, 2024: 10% Feb 21, 2025: 20% Feb 21, 2026: 30% Feb 21, 2027: 40%	Feb 20, 2032
	<i>Directors:</i> Adriel Chan	3,000,000	-	-	-	3,000,000			
	Weber W.P. Lo	3,000,000	-	-	-	3,000,000			
	Kenneth K.K. Chiu	2,100,000	-	-	-	2,100,000			
	<i>Employees</i>	47,740,000	-	-	(4,087,000)	43,653,000			
		59,140,000	-	-	(4,087,000)	55,053,000			
	Honorary Chair	14,300,000	-	-	-	14,300,000			
	Directors	33,050,000	-	-	-	33,050,000			
	Director of HLP	5,000,000	-	-	-	5,000,000			
	Employees	159,407,100	-	-	(9,900,500)	149,506,600			
Total		211,757,100	-	-	(9,900,500)	201,856,600			

Movements of share options under the 2022 Share Option Scheme during the six months ended June 30, 2024 were set out below:

Date of Grant	Category of Participants (Note 1)	Number of Share Options				Outstanding as at Jun 30, 2024	Exercise Price per Share HK\$	Vesting Dates (Note 2)	Expiry Date (Note 2)
		Outstanding as at Jan 1, 2024	Granted during the Period	Exercised during the Period	Lapsed/ Forfeited during the Period				
Jun 28, 2023	<i>Honorary Chair:</i>					12.49	Jun 28, 2025: 20%	Jun 27, 2033	
	Ronnie C. Chan (Note 3)	3,300,000	-	-	-	3,300,000	Jun 28, 2026: 30%		
							Jun 28, 2027: 50%		
	<i>Directors:</i>								
	Adriel Chan	3,000,000	-	-	-	3,000,000			
	Weber W.P. Lo	3,000,000	-	-	-	3,000,000			
	Kenneth K.K. Chiu	2,100,000	-	-	-	2,100,000			
	<i>Employees</i>	41,578,000	-	-	(3,284,000)	38,294,000			
		52,978,000	-	-	(3,284,000)	49,694,000			
	Honorary Chair	3,300,000	-	-	-	3,300,000			
	Directors	8,100,000	-	-	-	8,100,000			
	Employees	41,578,000	-	-	(3,284,000)	38,294,000			
Total		52,978,000	-	-	(3,284,000)	49,694,000			

Notes:

- “Employees” include current and former employees of the HLP Group and persons who were granted share options as an incentive to enter into employment contracts with HLP and/or any of its subsidiaries.
- Exercise periods of the share options start from the respective vesting dates and end on the respective expiry dates.
- Mr. Ronnie C. Chan retired as the Chair and an Executive Director on April 26, 2024, and the Board bestowed upon him the title of “Honorary Chair” on the same date.

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

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

As at June 30, 2024, details of substantial shareholders' and other persons' (who are required to disclose their interests pursuant to Part XV of the SFO) interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	Note	Number of Shares or Underlying Shares Held (Long Positions)	% of Total Number of Issued Shares (Long Positions) (Note 5)
Adriel Chan	1	551,502,580	40.50
Chan Tan Ching Fen	2	522,423,080	38.37
Cole Enterprises Holdings (PTC) Limited	2	522,423,080	38.37
Merssion Limited	2	522,423,080	38.37
Kingswick Investment Limited	3	103,609,000	7.61
Silchester International Investors LLP	4	110,342,000	8.10
Dodge & Cox	4	105,320,900	7.73

Notes:

- These shares were the same parcel of shares held by two trusts, 522,423,080 shares of which were held by Merssion Limited under a trust and 28,579,500 shares of which were held by another trust; and 500,000 shares were under personal interests. As Mr. Adriel Chan was a discretionary beneficiary (for 522,423,080 shares) of a trust and both a settlor and a discretionary beneficiary (for 28,579,500 shares) of another trust, he was deemed to be interested in such shares under the SFO.
- These shares were the same parcel of shares held by Merssion Limited which was held under a trust. As Ms. Chan Tan Ching Fen was the founder and Cole Enterprises Holdings (PTC) Limited was the trustee, they were deemed to be interested in such shares under the SFO.

These shares were included in the 551,002,580 shares deemed to be interested by Mr. Adriel Chan.
- This company was a wholly-owned subsidiary of Merssion Limited. Its interests were included in the 522,423,080 shares held by Merssion Limited.
- These shares were held in the capacity of investment managers.
- Shareholding percentages were calculated based on the total number of issued shares of the Company as at June 30, 2024, being 1,361,618,242 shares.

Save as disclosed above, as at June 30, 2024, no other interests or short positions in the shares or underlying shares of the Company required to be recorded in the register kept under section 336 of the SFO has been notified to the Company.

CHANGES IN INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed below, there is no other information required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules since the date of the 2023 annual report of the Company.

Mr. Ronnie C. Chan retired as the Chair and an Executive Director of the Company and HLP on April 26, 2024, and the Board bestowed upon him the title of “Honorary Chair” on the same date.

Mr. Adriel Chan was appointed as the Chair of the Company and HLP on April 26, 2024.

Mr. Weber W.P. Lo ceased to be a member of the Board of Inland Revenue of the Government of HKSAR on February 29, 2024.

Prof. P.W. Liu ceased to be a member of the Judicial Officers Recommendation Commission on June 30, 2024.

Prof. L.C. Tsui ceased to be a member of the Audit Committee of the Company on July 1, 2024.

Mr. Martin C.K. Liao was awarded the Grand Bauhinia Medal in 2024.

Ms. May S.B. Tan was appointed as a member of the Audit Committee of the Company on July 1, 2024 and the chair of the Corporate Governance and Nominating Committee of Manulife Financial Corporation on June 1, 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

EMPLOYEES

As at June 30, 2024, the number of employees was 4,141 (comprising 936 Hong Kong employees and 3,205 mainland China employees). The total employee costs for the six months ended June 30, 2024, amounted to HK\$936 million. We provide competitive remuneration packages for all employees including discretionary bonuses payable based on individual performance. We regularly review remuneration packages to ensure that they comply with relevant regulatory requirements and market conditions. The Group has a share option scheme and provides professional and high-quality trainings for employees.



Review report to the Board of Directors of Hang Lung Group Limited

(Incorporated in the Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 42 to 64 which comprises the consolidated statement of financial position of Hang Lung Group Limited (“the Company”) as at June 30, 2024 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

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

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at June 30, 2024 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

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

July 30, 2024

42	CONSOLIDATED STATEMENT OF PROFIT OR LOSS
43	CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
44	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
45	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
47	CONDENSED CONSOLIDATED CASH FLOW STATEMENT
48	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
48	1. BASIS OF PREPARATION
50	2. REVENUE AND SEGMENT INFORMATION
52	3. OTHER NET INCOME
52	4. NET INTEREST EXPENSE
53	5. PROFIT BEFORE TAXATION
53	6. TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS
54	7. DIVIDENDS
54	8. EARNINGS PER SHARE
56	9. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT
56	10. TRADE AND OTHER RECEIVABLES
57	11. TRADE AND OTHER PAYABLES
58	12. SHARE CAPITAL
58	13. SHARE OPTION SCHEMES
61	14. RESERVES
62	15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS
64	16. COMMITMENTS
64	17. REVIEW AND APPROVAL OF INTERIM FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2024 (Unaudited)

	Note	2024	2023	For information purpose only	
		HK\$ Million	HK\$ Million	2024 RMB Million	2023 RMB Million
Revenue	2(a)	6,379	5,525	5,846	4,881
Direct costs and operating expenses		(2,766)	(1,491)	(2,544)	(1,317)
		3,613	4,034	3,302	3,564
Other net income	3	19	15	17	13
Administrative expenses		(346)	(339)	(319)	(299)
Profit from operations before changes in fair value of properties		3,286	3,710	3,000	3,278
(Decrease)/increase in fair value of properties		(715)	241	(657)	220
Profit from operations after changes in fair value of properties		2,571	3,951	2,343	3,498
Interest income		40	50	36	44
Finance costs		(461)	(315)	(424)	(279)
Net interest expense	4	(421)	(265)	(388)	(235)
Share of profits of joint ventures		132	70	122	62
Profit before taxation	5	2,282	3,756	2,077	3,325
Taxation	6	(756)	(847)	(688)	(749)
Profit for the period	2(b)	1,526	2,909	1,389	2,576
Attributable to:					
Shareholders		888	1,682	807	1,490
Non-controlling interests		638	1,227	582	1,086
Profit for the period		1,526	2,909	1,389	2,576
Earnings per share	8(a)				
Basic		HK\$0.65	HK\$1.24	RMB0.59	RMB1.09
Diluted		HK\$0.65	HK\$1.24	RMB0.59	RMB1.09

The accompanying notes form part of the interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2024 (Unaudited)

			<i>For information purpose only</i>	
	2024	2023	2024	2023
	HK\$ Million	HK\$ Million	RMB Million	RMB Million
Profit for the period	1,526	2,909	1,389	2,576
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Movement in exchange reserve:				
Exchange difference arising from translation to presentation currency	(808)	(3,580)	992	1,364
Gain on net investment hedge	83	4	76	4
Movement in hedging reserve:				
Effective portion of changes in fair value	114	77	106	69
Net amount transferred to profit or loss	(34)	(48)	(32)	(42)
Deferred tax	(12)	(7)	(11)	(6)
Item that will not be reclassified to profit or loss:				
Net change in fair value of equity investments	1	1	1	1
Other comprehensive income for the period, net of tax	(656)	(3,553)	1,132	1,390
Total comprehensive income for the period	870	(644)	2,521	3,966
Attributable to:				
Shareholders	502	(390)	1,509	2,388
Non-controlling interests	368	(254)	1,012	1,578
Total comprehensive income for the period	870	(644)	2,521	3,966

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2024

	Note	(Unaudited)	(Audited)	<i>For information purpose only</i>	
		June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
		HK\$ Million	HK\$ Million	RMB Million	RMB Million
Non-current assets					
Property, plant and equipment					
Investment properties	9	176,871	177,458	162,869	161,144
Investment properties under development	9	24,430	23,610	22,297	21,398
Other property, plant and equipment		324	328	298	298
		201,625	201,396	185,464	182,840
Interests in joint ventures		4,511	4,450	4,219	4,056
Other assets		1,434	1,433	1,341	1,306
Deferred tax assets		142	145	133	132
		207,712	207,424	191,157	188,334
Current assets					
Cash and deposits with banks		7,218	6,343	6,686	5,768
Trade and other receivables	10	3,939	3,441	3,638	3,125
Properties for sale		13,822	14,244	12,774	12,948
		24,979	24,028	23,098	21,841
Current liabilities					
Bank loans and other borrowings		6,011	4,434	5,576	4,029
Trade and other payables	11	9,456	10,136	8,691	9,200
Lease liabilities		27	30	25	27
Current tax payable		436	479	402	435
		15,930	15,079	14,694	13,691
Net current assets		9,049	8,949	8,404	8,150
Total assets less current liabilities		216,761	216,373	199,561	196,484
Non-current liabilities					
Bank loans and other borrowings		47,704	46,259	44,342	42,100
Lease liabilities		241	248	220	225
Deferred tax liabilities		14,990	14,950	13,695	13,551
		62,935	61,457	58,257	55,876
NET ASSETS		153,826	154,916	141,304	140,608
Capital and reserves					
Share capital	12	4,065	4,065	3,164	3,164
Reserves		91,765	90,295	84,927	82,497
Shareholders' equity		95,830	94,360	88,091	85,661
Non-controlling interests		57,996	60,556	53,213	54,947
TOTAL EQUITY		153,826	154,916	141,304	140,608

The accompanying notes form part of the interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2024 (Unaudited)

HK\$ Million	Shareholders' equity					
	Share capital (Note 12)	Other reserves (Note 14)	Retained profits (Note 14)	Total	Non-controlling interests	Total equity
At January 1, 2024	4,065	4,373	85,922	94,360	60,556	154,916
Profit for the period	–	–	888	888	638	1,526
Exchange difference arising from translation to presentation currency	–	(480)	–	(480)	(328)	(808)
Gain on net investment hedge	–	52	–	52	31	83
Cash flow hedges: net movement in hedging reserve	–	41	–	41	27	68
Net change in fair value of equity investments	–	1	–	1	–	1
Total comprehensive income for the period	–	(386)	888	502	368	870
Final dividend in respect of previous year	–	–	(885)	(885)	–	(885)
Employee share-based payments	–	21	5	26	16	42
Change in non-controlling interests arising from increase of the Group's shareholding in a subsidiary	–	1,827	–	1,827	(1,898)	(71)
Dividend paid to non-controlling interests	–	–	–	–	(1,046)	(1,046)
At June 30, 2024	4,065	5,835	85,930	95,830	57,996	153,826
At January 1, 2023	4,065	4,590	84,164	92,819	62,394	155,213
Profit for the period	–	–	1,682	1,682	1,227	2,909
Exchange difference arising from translation to presentation currency	–	(2,088)	–	(2,088)	(1,492)	(3,580)
Gain on net investment hedge	–	2	–	2	2	4
Cash flow hedges: net movement in hedging reserve	–	13	–	13	9	22
Net change in fair value of equity investments	–	1	–	1	–	1
Total comprehensive income for the period	–	(2,072)	1,682	(390)	(254)	(644)
Final dividend in respect of previous year	–	–	(885)	(885)	–	(885)
Employee share-based payments	–	(88)	113	25	15	40
Dividend paid to non-controlling interests	–	–	–	–	(1,076)	(1,076)
At June 30, 2023	4,065	2,430	85,074	91,569	61,079	152,648

The accompanying notes form part of the interim financial report.

For information purpose only

RMB Million

	Shareholders' equity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained profits	Total		
At January 1, 2024	3,164	10,725	71,772	85,661	54,947	140,608
Profit for the period	-	-	807	807	582	1,389
Exchange difference arising from translation to presentation currency	-	614	-	614	378	992
Gain on net investment hedge	-	49	-	49	27	76
Cash flow hedges: net movement in hedging reserve	-	38	-	38	25	63
Net change in fair value of equity investments	-	1	-	1	-	1
Total comprehensive income for the period	-	702	807	1,509	1,012	2,521
Final dividend in respect of previous year	-	-	(824)	(824)	-	(824)
Employee share-based payments	-	19	5	24	15	39
Change in non-controlling interests arising from increase of the Group's shareholding in a subsidiary	-	1,721	-	1,721	(1,787)	(66)
Dividend paid to non-controlling interests	-	-	-	-	(974)	(974)
At June 30, 2024	3,164	13,167	71,760	88,091	53,213	141,304
At January 1, 2023	3,164	9,601	70,194	82,959	55,759	138,718
Profit for the period	-	-	1,490	1,490	1,086	2,576
Exchange difference arising from translation to presentation currency	-	883	-	883	481	1,364
Gain on net investment hedge	-	2	-	2	2	4
Cash flow hedges: net movement in hedging reserve	-	12	-	12	9	21
Net change in fair value of equity investments	-	1	-	1	-	1
Total comprehensive income for the period	-	898	1,490	2,388	1,578	3,966
Final dividend in respect of previous year	-	-	(790)	(790)	-	(790)
Employee share-based payments	-	(82)	103	21	14	35
Dividend paid to non-controlling interests	-	-	-	-	(960)	(960)
At June 30, 2023	3,164	10,417	70,997	84,578	56,391	140,969

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended June 30, 2024 (Unaudited)

	2024	2023	For information purpose only	
	HK\$ Million	HK\$ Million	2024 RMB Million	2023 RMB Million
Operating activities				
Cash generated from operations	2,855	2,968	2,608	2,628
Income tax paid	(666)	(571)	(606)	(498)
Net cash generated from operating activities	2,189	2,397	2,002	2,130
Investing activities				
Payment for property, plant and equipment	(1,504)	(1,262)	(1,376)	(1,114)
Repayment from a joint venture	48	80	44	71
Increase in bank deposits with maturity greater than 3 months	(33)	(193)	(30)	(170)
Other cash flows arising from investing activities	86	95	77	84
Net cash used in investing activities	(1,403)	(1,280)	(1,285)	(1,129)
Financing activities				
Proceeds from new bank loans and other borrowings	22,595	23,736	20,863	20,975
Repayment of bank loans and other borrowings	(19,483)	(21,851)	(17,991)	(19,314)
Interest and other borrowing costs paid	(1,011)	(859)	(925)	(757)
Dividend paid	(885)	(885)	(824)	(790)
Dividend paid to non-controlling interests	(991)	(1,076)	(924)	(960)
Decrease in non-controlling interests in a subsidiary	(134)	–	(121)	–
Other cash flows used in financing activities	(15)	(14)	(13)	(13)
Net cash generated from/(used in) financing activities	76	(949)	65	(859)
Increase in cash and cash equivalents	862	168	782	142
Effect of foreign exchange rate changes	(20)	(120)	106	77
Cash and cash equivalents at January 1	6,262	5,704	5,694	5,100
Cash and cash equivalents at June 30	7,104	5,752	6,582	5,319
Analysis of the balance of cash and cash equivalents				
Cash and deposits with banks	7,218	6,018	6,686	5,564
Less: Bank deposits with maturity greater than 3 months	(114)	(266)	(104)	(245)
Cash and cash equivalents at June 30	7,104	5,752	6,582	5,319

The accompanying notes form part of the interim financial report.

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION

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

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

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on pages 39 to 40.

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

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements.

1. BASIS OF PREPARATION (Continued)

The presentation currency of these consolidated financial statements is Hong Kong dollar. In view of the Group's significant business operations in mainland China, management has included additional financial information prepared in Renminbi in the consolidated financial statements. Such supplementary information is prepared on the same basis as 2023 as if the presentation currency is Renminbi.

The financial information relating to the financial year ended December 31, 2023 included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended December 31, 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

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

2. REVENUE AND SEGMENT INFORMATION

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

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

(a) Disaggregation of revenue

Revenue for the six months ended June 30, 2024 is analyzed as follows:

HK\$ Million	2024	2023
Under the scope of HKFRS 16, Leases:		
Rental income	4,464	4,824
Under the scope of HKFRS 15, Revenue from contracts with customers:		
Sales of completed properties	1,228	2
Building management fees and other income from property leasing	687	699
	1,915	701
	6,379	5,525

2. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Revenue and results by segments

HK\$ Million	2024			2023		
	Property Leasing	Property Sales	Total	Property Leasing	Property Sales	Total
Revenue						
– Mainland China	3,537	25	3,562	3,775	–	3,775
– Hong Kong	1,614	1,203	2,817	1,748	2	1,750
	5,151	1,228	6,379	5,523	2	5,525
Profit/(loss) from operations before changes in fair value of properties						
– Mainland China	2,150	(20)	2,130	2,424	(20)	2,404
– Hong Kong	1,147	9	1,156	1,307	(1)	1,306
	3,297	(11)	3,286	3,731	(21)	3,710
(Decrease)/increase in fair value of properties	(715)	–	(715)	241	–	241
– Mainland China	(433)	–	(433)	208	–	208
– Hong Kong	(282)	–	(282)	33	–	33
Net interest expense	(421)	–	(421)	(265)	–	(265)
– Interest income	40	–	40	50	–	50
– Finance costs	(461)	–	(461)	(315)	–	(315)
Share of profits of joint ventures	132	–	132	70	–	70
Profit/(loss) before taxation	2,293	(11)	2,282	3,777	(21)	3,756
Taxation	(745)	(11)	(756)	(849)	2	(847)
Profit/(loss) for the period	1,548	(22)	1,526	2,928	(19)	2,909
Net profit/(loss) attributable to shareholders	901	(13)	888	1,693	(11)	1,682

2. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Total segment assets

HK\$ Million	June 30, 2024			December 31, 2023		
	Property Leasing	Property Sales	Total	Property Leasing	Property Sales	Total
Mainland China	139,553	6,769	146,322	139,913	6,452	146,365
Hong Kong	64,426	8,638	73,064	63,965	8,751	72,716
	203,979	15,407	219,386	203,878	15,203	219,081
Interests in joint ventures			4,511			4,450
Other assets			1,434			1,433
Deferred tax assets			142			145
Cash and deposits with banks			7,218			6,343
			232,691			231,452

3. OTHER NET INCOME

HK\$ Million	2024	2023
Government grants	6	5
Gain/(loss) on disposal of other property, plant and equipment	14	(11)
Net exchange (loss)/gain	(2)	9
Gain on disposal of investment properties	–	11
Others	1	1
	19	15

4. NET INTEREST EXPENSE

HK\$ Million	2024	2023
Interest income on bank deposits	40	50
Interest expense on bank loans and other borrowings	1,012	843
Interest on lease liabilities	7	7
Other borrowing costs	50	47
Total borrowing costs	1,069	897
Less: Borrowing costs capitalized	(608)	(582)
Finance costs	461	315
Net interest expense	(421)	(265)

5. PROFIT BEFORE TAXATION

HK\$ Million	2024	2023
Profit before taxation is arrived at after charging:		
Cost of properties sold	1,012	–
Staff costs (Note)	783	797
Depreciation	46	46

Note: The staff costs included employee share-based payments of HK\$42 million (2023: HK\$40 million). If the amounts not recognized in the statement of profit or loss, including amounts capitalized, were accounted for, staff costs would have been HK\$936 million (2023: HK\$950 million).

6. TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Provision for Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the period. Mainland China Income Tax represents mainland China Corporate Income Tax calculated at 25% (2023: 25%) and mainland China withholding income tax calculated at the applicable rates. The withholding tax rate applicable to Hong Kong companies in respect of dividend distributions from foreign investment enterprises in mainland China was 5% (2023: 5%).

HK\$ Million	2024	2023
Current tax		
Hong Kong Profits Tax	139	160
Mainland China Income Tax	486	481
Total current tax	625	641
Deferred tax		
Changes in fair value of properties	12	41
Other origination and reversal of temporary differences	119	165
Total deferred tax	131	206
Total income tax expense	756	847

7. DIVIDENDS

(a) Interim dividend

HK\$ Million	2024	2023
Declared after the end of the reporting period: HK21 cents (2023: HK21 cents) per share	286	286

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

(b) Final dividend approved and paid during the six months ended June 30, 2024

HK\$ Million	2024	2023
2023 final dividend of HK65 cents (2022: HK65 cents) per share	885	885

8. EARNINGS PER SHARE

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

HK\$ Million	2024	2023
Net profit attributable to shareholders	888	1,682

	Number of shares	
	2024	2023
Weighted average number of shares used in calculating basic and diluted earnings per share (Note)	1,361,618,242	1,361,618,242

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

8. EARNINGS PER SHARE (Continued)

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

HK\$ Million	2024	2023
Net profit attributable to shareholders	888	1,682
Effect of changes in fair value of properties	715	(241)
Effect of income tax for changes in fair value of properties	12	41
Effect of changes in fair value of investment properties of joint ventures	(71)	(2)
	656	(202)
Non-controlling interests	(263)	80
	393	(122)
Underlying net profit attributable to shareholders	1,281	1,560

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

	2024	2023
Basic	HK\$0.94	HK\$1.15
Diluted	HK\$0.94	HK\$1.15

9. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT

(a) Additions

During the six months ended June 30, 2024, additions to investment properties and investment properties under development amounted to HK\$1,925 million (2023: HK\$1,591 million).

(b) Valuation

The investment properties and investment properties under development of the Group were revalued as of June 30, 2024 by Savills Valuation and Professional Services Limited, on a market value basis.

10. TRADE AND OTHER RECEIVABLES

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

HK\$ Million	June 30, 2024	December 31, 2023
Not past due or less than 1 month past due	727	139
1 – 3 months past due	18	9
More than 3 months past due	3	2
	748	150

10. TRADE AND OTHER RECEIVABLES (Continued)

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

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

- (c) Included in "other receivables" of the Group is a deposit of land acquisition in mainland China of HK\$274 million (December 31, 2023: HK\$276 million).

11. TRADE AND OTHER PAYABLES

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

HK\$ Million	June 30, 2024	December 31, 2023
Due within 3 months	1,408	2,123
Due after 3 months	2,859	2,305
	4,267	4,428

12. SHARE CAPITAL

	At January 1, 2024 and June 30, 2024		At January 1, 2023 and December 31, 2023	
	Number of shares Million	Amount of share capital HK\$ Million	Number of shares Million	Amount of share capital HK\$ Million
Ordinary shares, issued and fully paid:	1,362	4,065	1,362	4,065

There was no movement in the share capital of the Company during the year ended December 31, 2023 and the six months ended June 30, 2024.

13. SHARE OPTION SCHEMES

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

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

13. SHARE OPTION SCHEMES (Continued)

The movements of share options during the six months ended June 30, 2024 are as follows:

(a) 2012 Share Option Scheme

Date granted	Number of share options			Period during which share options are exercisable (subject to different vesting schedule)	Exercise price (HK\$)
	Outstanding on January 1, 2024	Forfeited/ Lapsed	Outstanding on June 30, 2024		
December 5, 2014	18,750,000	(530,000)	18,220,000	December 5, 2016 to December 4, 2024	22.60
August 10, 2017	27,655,000	(580,000)	27,075,000	August 10, 2019 to August 9, 2027	19.98
May 16, 2018	10,000,000	–	10,000,000	May 16, 2020 to May 15, 2028	18.98
June 28, 2019	39,691,100	(1,573,000)	38,118,100	June 28, 2021 to June 27, 2029	18.58
May 12, 2021	54,521,000	(3,130,500)	51,390,500	May 12, 2023 to May 11, 2031	19.95
October 6, 2021	2,000,000	–	2,000,000	October 6, 2023 to October 5, 2031	17.65
February 21, 2022	59,140,000	(4,087,000)	55,053,000	February 21, 2024 to February 20, 2032	16.38
Total	211,757,100	(9,900,500)	201,856,600		

All the above share options may vest after two to five years of the grant date and are exercisable up to the tenth anniversary of the date of grant, after which they will lapse. No share options were exercised or cancelled during the six months ended June 30, 2024.

During the six months ended June 30, 2024, 9,900,500 share options (2023: 8,047,600 share options) were forfeited upon cessations of the grantees' employments and no share options (2023: 21,910,000 share options) lapsed due to the expiry of the period for exercising the share options.

13. SHARE OPTION SCHEMES (Continued)

(b) 2022 Share Option Scheme

Date granted	Number of share options			Period during which share options are exercisable (subject to different vesting schedule)	Exercise price (HK\$)
	Outstanding on January 1, 2024	Forfeited/ Lapsed	Outstanding on June 30, 2024		
June 28, 2023	52,978,000	(3,284,000)	49,694,000	June 28, 2025 to June 27, 2033	12.49
Total	52,978,000	(3,284,000)	49,694,000		

All the above share options may vest after two to four years of the grant date and are exercisable up to the tenth anniversary of the date of grant, after which they will lapse. No share options were exercised or cancelled during the six months ended June 30, 2024.

During the six months ended June 30, 2024, 3,284,000 share options (2023: Nil) were forfeited upon cessations of the grantees' employments and no share options (2023: Nil) lapsed due to the expiry of the period for exercising the share options.

14. RESERVES

HK\$ Million

	Other reserves						Total	Retained profits	Total reserves
	Exchange reserve	Hedging reserve	Investment revaluation reserve	Employee share-based compensation reserve	General reserve	Other capital reserve			
At January 1, 2024	(3,247)	(12)	61	285	275	7,011	4,373	85,922	90,295
Profit for the period	-	-	-	-	-	-	-	888	888
Exchange difference arising from translation to presentation currency	(480)	-	-	-	-	-	(480)	-	(480)
Gain on net investment hedge	52	-	-	-	-	-	52	-	52
Cash flow hedges:									
net movement in hedging reserve	-	41	-	-	-	-	41	-	41
Net change in fair value of equity investments	-	-	1	-	-	-	1	-	1
Total comprehensive income for the period	(428)	41	1	-	-	-	(386)	888	502
Final dividend in respect of previous year	-	-	-	-	-	-	-	(885)	(885)
Employee share-based payments	-	-	-	21	-	-	21	5	26
Change in non-controlling interests arising from increase of the Group's shareholding in a subsidiary (Note)	-	-	2	10	-	1,815	1,827	-	1,827
At June 30, 2024	(3,675)	29	64	316	275	8,826	5,835	85,930	91,765
At January 1, 2023	(2,246)	33	61	343	275	6,124	4,590	84,164	88,754
Profit for the period	-	-	-	-	-	-	-	1,682	1,682
Exchange difference arising from translation to presentation currency	(2,088)	-	-	-	-	-	(2,088)	-	(2,088)
Gain on net investment hedge	2	-	-	-	-	-	2	-	2
Cash flow hedges:									
net movement in hedging reserve	-	13	-	-	-	-	13	-	13
Net change in fair value of equity investments	-	-	1	-	-	-	1	-	1
Total comprehensive income for the period	(2,086)	13	1	-	-	-	(2,072)	1,682	(390)
Final dividend in respect of previous year	-	-	-	-	-	-	-	(885)	(885)
Employee share-based payments	-	-	-	(88)	-	-	(88)	113	25
At June 30, 2023	(4,332)	46	62	255	275	6,124	2,430	85,074	87,504

Note: During the six months ended June 30, 2024, the Group's equity interests in its subsidiary, HLP, increased from 61.2% to 63.2% through purchase of HLP's share from third parties and distribution of scrip dividend from HLP.

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

(a) Financial assets and liabilities measured at fair value

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

HK\$ Million	Fair value		Fair value measurements categorized into
	June 30, 2024	December 31, 2023	
Financial assets			
Trade and other receivables			
Interest rate swaps (cash flow hedges)	65	5	Level 2
Other assets			
Investment in equity instruments	93	92	Level 3
Financial liabilities			
Trade and other payables			
Cross currency swaps (cash flow hedges)	(7)	(13)	Level 2
Interest rate swaps (cash flow hedges)	–	(14)	Level 2

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

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

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

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

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

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

During the six months ended June 30, 2024, there were no transfers of instruments between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as of the end of the reporting period in which they occur.

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

The carrying amounts of the Group's financial instruments carried at amortized cost were not materially different from their fair values as of December 31, 2023 and June 30, 2024.

16. COMMITMENTS

At the end of the reporting period, capital commitments not provided for in the financial statements were as follows:

HK\$ Million	June 30, 2024	December 31, 2023
Contracted for	6,229	6,292
Authorized but not contracted for	8,957	9,150
	15,186	15,442

The above commitments include mainly the construction related costs to be incurred in respect of the Group's development of investment properties in various cities in mainland China.

17. REVIEW AND APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report is unaudited, but has been reviewed by the Audit Committee. It was authorized for issue by the Board of Directors on July 30, 2024.

FINANCIAL TERMS

Finance costs:	Total of interest expense on total borrowings and other borrowing costs, net of amount capitalized
Total borrowings:	Total of bank loans and other borrowings, net of unamortized other borrowing costs
Net debt:	Total borrowings net of cash and deposits with banks
Net profit attributable to shareholders:	Profit for the period (after tax) less amounts attributable to non-controlling interests
Underlying net profit attributable to shareholders:	Net profit attributable to shareholders excluding changes in fair value of properties net of related income tax and non-controlling interests

FINANCIAL RATIOS

Basic earnings per share	=	$\frac{\text{Net profit attributable to shareholders}}{\text{Weighted average number of shares in issue during the period}}$	Debt to equity	=	$\frac{\text{Total borrowings}}{\text{Total equity}}$
Net assets attributable to shareholders per share	=	$\frac{\text{Shareholders' equity}}{\text{Number of shares issued at the end of the reporting}}$	Net debt to equity	=	$\frac{\text{Net debt}}{\text{Total equity}}$
Interest cover	=	$\frac{\text{Profit from operations before changes in fair value of properties}}{\text{Finance costs before capitalization less interest income}}$			

FINANCIAL CALENDAR

Financial period	January 1, 2024 to June 30, 2024
Announcement of interim results	July 30, 2024
Latest time for lodging transfers	4:30 p.m. on August 15, 2024
Closure of share register	August 16, 2024
Record date for interim dividend	August 16, 2024
Payment date for interim dividend	September 25, 2024

SHARE LISTING

As at June 30, 2024, 1,361,618,242 shares are listed on The Stock Exchange of Hong Kong Limited. It has a sponsored American Depositary Receipt (ADR) Program in the New York market.

STOCK CODE

Hong Kong Stock Exchange: 00010

Reuters: 0010.HK

Bloomberg: 10 HK

CUSIP Number/Ticker Symbol for ADR Code: 41043E102/HNLGY

SHARE INFORMATION

Share price as at June 30, 2024: HK\$8.5 per share

Market capitalization as at June 30, 2024: HK\$11.57 billion

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre

183 Queen's Road East, Wan Chai, Hong Kong

Tel: 2862 8555

Fax: 2865 0990

INVESTOR RELATIONS CONTACT

Joyce Kwok

Email: ir@hanglung.com