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

*(Incorporated in Hong Kong with limited liability)*

*Stock Codes : 16 (HKD counter) and 80016 (RMB counter)*

### **2025 / 26 Interim Results**

#### **CHAIRMAN'S STATEMENT**

I am pleased to present my report to the shareholders.

#### **RESULTS**

The Group's underlying profit attributable to the Company's shareholders for the six months ended 31 December 2025, excluding the effect of fair-value changes on investment properties, amounted to HK\$12,213 million, compared to HK\$10,463 million for the corresponding period last year. Underlying earnings per share were HK\$4.21, compared to HK\$3.61 for the same period last year.

Reported profit and reported earnings per share attributable to the Company's shareholders were HK\$10,247 million and HK\$3.54 respectively, compared to HK\$7,523 million and HK\$2.60 for the corresponding period last year. The reported profit for the period included a decrease in fair value of investment properties net of deferred taxation and non-controlling interests of HK\$304 million, compared to a decrease of HK\$2,034 million for the same period last year.

#### **DIVIDEND**

The directors have declared an interim dividend payment of HK\$0.98 per share for the six months ended 31 December 2025, an increase of 3% from the corresponding period last year. The dividend will be payable on 19 March 2026.

## **BUSINESS REVIEW**

### **Development Profit and Rental Income**

#### **Development Profit**

For the period under review, the Group's profit generated from property sales reached HK\$4,885 million, as compared to HK\$2,506 million during the corresponding period last year. Contracted sales during the period totalled about HK\$18,900 million in attributable terms.

#### **Rental Income**

During the period, the Group's gross rental income, inclusive of contributions from joint ventures and associates, remained flat year-on-year at HK\$12,285 million, while net rental income decreased by 1% year-on-year to HK\$8,950 million.

### **Property Business – Hong Kong**

#### **Land Bank**

As at 31 December 2025, the Group's attributable land bank in Hong Kong amounted to some 57.3 million square feet. Of these, about 38.2 million square feet were diversified completed properties, an overwhelming majority of which were for rental and long-term investment purposes. These properties contributed to the Group's sizeable recurring income. Approximately 13.2 million square feet of the remainder were residential properties under development for sale, sufficient to meet the Group's medium-term development needs. The Group will continue to replenish its land bank in Hong Kong through different means to support future business growth when opportunities arise.

In accordance with this strategy, the Group continued to replenish its development land bank in Hong Kong during the period under review. In November 2025, the Group won a tender for the Tuen Mun A16 Station Package One Property Development. Located in a mature community with a well-established transportation network and comprehensive amenities in Tuen Mun South, the site is just a 15-minute drive from the Hong Kong International Airport and is planned for development into a residential project with a total gross floor area of around 601,000 square feet. The MTR Tuen Mun South Extension, targeted for completion in 2030, is expected to further enhance connectivity of the project to different parts of the city via the rail network.

During the period, as part of its ongoing support for the further development of the Northern Metropolis, the Group completed lease modification procedures for a residential development in Kwu Tung South, Sheung Shui, increasing its total gross floor area from about 162,000 square feet to around 1.2 million square feet. Located a few minutes by car from MTR Kwu Tung Station currently under construction, the project is planned to be developed in phases into over

2,700 small- and medium-sized units, making it the largest residential development in the North District over the past two decades.

The Group has been actively developing projects in the Northern Metropolis during the past five years, increasing developable lands through a variety of channels, including the first in-situ land exchange in Hung Shui Kiu. Inclusive of the Kwu Tung South project mentioned earlier, the Group has undertaken the development of eight projects in the area, providing around 10,000 flats across a total gross floor area of over 4.5 million square feet to meet market demands for quality housing. In addition, a taskforce led by senior management and professional advisers was established to further explore the potential of the new development area.

## **Property Development**

During the period under review, Hong Kong's primary residential market experienced an increase in transaction volume and a mild recovery in prices amid stronger demand from both end-users and long-term investors. Easing mortgage rates and a buoyant stock market drove notable improvement in market sentiment. Residential rents also continued their upward trajectory amid a steady inflow of non-local talent and students, providing further support to the residential sales market.

During the period, the Group recorded contracted sales of about HK\$17,400 million in attributable terms in Hong Kong. Cullinan Sky Phase 2 in Kai Tak was a major contributor, while sales from other completed developments including NOVO LAND Phase 3A in Tuen Mun, Dynasty Court in Mid-Levels, Victoria Harbour in North Point, University Hill in Tai Po and YOHO WEST Phase 1 in Tin Shui Wai continued to receive positive market responses. In January 2026, the Group launched SIERRA SEA Phase 2A and 2B in Sai Sha, achieving an overwhelming market response with a record-high subscription and contracted sales of more than HK\$9,000 million.

Adhering to the spirit of "Building Homes with Heart", the Group is dedicated to creating long-term value for customers through the delivery of premium properties and thoughtful, value-adding services. With full ownership of most residential projects, the Group leverages a vertically integrated business model to maintain direct control over critical elements of the projects – from land acquisition to construction and property management, ensuring stringent standards at every stage. The outstanding quality of the Group's projects is evidenced by the securing of all top five positions in a property inspection ranking conducted by a well-recognized media outlet in 2025. In addition, the SHKP Club continues to uphold its customer-centric culture, enabling the Group to maintain close communication with customers, deepen long-term relationships and stay attuned to evolving customer preferences and market trends. To enhance residents' quality of life, the Group leverages artificial intelligence (AI) and 5G technology to create a comprehensive smart-living ecosystem within its new residential developments. As Hong Kong's first residential project to secure a WiredScore platinum pre-certification, SIERRA SEA equipped homes with a smart system and an in-wall Wi-Fi system to facilitate a smart home lifestyle.

The Sai Sha project has received an overwhelming market response. This significantly enhanced the Group's brand reputation in delivering large-scale integrated developments and established a strong foothold for future sales phases. Designed to meet the aspirations of a modern generation, the development is surrounded by nature and has been thoughtfully designed to encompass sports facilities, pet-friendly amenities and open green space. During the period, the first batch of residents in SIERRA SEA moved in. Their living experience is further enhanced by the neighbouring GO PARK Sai Sha, a new landmark that integrates nature, sports and entertainment. The second phase of the complex opened recently, introducing additional retail, dining and lifestyle amenities.

During the period, a total of three projects in Hong Kong with an attributable gross floor area of about 2.5 million square feet were ready for handover. Of these, some 1.9 million square feet were residential properties for sale, with the remainder being retail space kept for rental purpose and long-term investment. Project details are shown in the table below.

<b>Project</b>	<b>Location</b>	<b>Usage</b>	<b>Group's Interest (%)</b>	<b>Attributable Gross Floor Area (square feet)</b>
Cullinan Sky/ Cullinan Sky Mall	10 Concorde Road, Kai Tak	Residential/ Shopping Centre	100	1,286,000
SIERRA SEA Phases 1A(2) & 1B	8 Hoi Ying Road, Sai Sha	Residential	100	861,000
Scramble Hill	98 How Ming Street, Kwun Tong	Shopping Centre	72.7	364,000
<b>Total</b>				<b>2,511,000</b>

Approximately 1.9 million square feet of attributable gross floor area are scheduled for completion in the second half of this financial year, including about 0.6 million square feet of residential premises for sale. The remaining 1.3 million square feet are mainly from International Gateway Centre (IGC), the office portion of High Speed Rail West Kowloon Terminus Development.

### **Property Investment**

During the period under review, the Group's property investment portfolio in Hong Kong continued to deliver a substantial and stable recurring income. While gross rental income inclusive of contributions from joint ventures and associates remained flat year-on-year at HK\$8,797 million, the Group maintained the overall occupancy of the portfolio at a high level.

## ***Completed Properties***

Ongoing improvements in consumer sentiment, sustained growth in visitor arrivals, and a versatile calendar of mega events contributed to year-on-year growth of tenant sales in the Group's malls. To stay abreast of the latest market trends, the Group continued to leverage proactive strategies to enhance the attractiveness of its malls, turning them into lifestyle hubs with strong community ties. During the period, the retail portfolio achieved an average occupancy of 94%.

While the transformation of the retail industry has affected certain segments, the Group's malls continued to refine their tenant mix and introduce additional offerings, creating an energetic environment that appealed to the youthful crowd. These included trendy grab-and-go options, overseas streetwear brands, and merchandise of K-Pop stars and other intellectual properties (IPs). In addition to popular eateries and amusement centres, the Group also added "live and learn" experiences and trending sports like pickleball and Pilates to the malls. In response to the increasing popularity of electric vehicles, the Group is expanding its super-fast electric vehicle (EV) charging service across its extensive network of retail and office properties.

Amid keen competition, unique offline experiences have become increasingly crucial for drawing footfall. To enhance customer engagement, the Group's malls hosted interactive events, while their outdoor spaces were utilized for open-air bazaars and other activities. In addition, the Group continued to dedicate resources to upgrade its malls. Amenities and al fresco dining areas were enhanced, while pet-friendly facilities were introduced to elevate the overall visitor experience. Subsequent to the successful launches of Dino Park and Chill Park, New Town Plaza in Sha Tin in November 2025 unveiled a 40,000-square-foot outdoor podium, NTP Sky Garden, featuring additional seating areas, multiple photo spots and a captivating fountain show.

To increase customer loyalty, the Group enhanced service standards and introduced new privileges. In July 2025, The Point, the loyalty programme of SHKP malls with over three million members, officially launched a Gold member tier to better serve its top customers. Gold members enjoy exclusive benefits and experiences, such as bonus points on spending, express lanes at customer service counters, priority queuing at designated restaurants, and exclusive access to a VIP lounge. The lounge at New Town Plaza in Sha Tin has recorded a high utilization rate since opening and has hosted exclusive events in partnership with international brands and tenants. To expand the Group's loyalty ecosystem, Gold members automatically receive VIP status in the Go Royal and YATA membership programmes. During the period, the Group's malls leveraged AI technology to strengthen cooperation with tenants and other business units of the Group in their marketing efforts, delivering more personalized content and promotions via The Point app. The Group also launched a dedicated platform for tenants to tailor campaigns for targeted customer segments through the app. Participating tenants reported that the app effectively boosted sales and facilitated connections with customers.

The opening of new malls in Kowloon is set to generate incremental contributions to the Group. Scramble Hill, a 500,000-square-foot mall in Kowloon East, began its phased opening in the second half of 2025. The mall aims to attract nearby residents and the working population with its plentiful open spaces and outdoor dining options, while fostering synergy with the adjacent

APM mall and Millennium City office cluster. The Group holds a 72.7% stake in the project. Cullinan Sky Mall, a 220,000-square-foot mall in Kai Tak, began its phased opening in late 2025. An initial wave of tenants, comprising restaurants and shops, has commenced operations on the MTR Kai Tak Station-linked level, catering to the daily needs of Cullinan Sky residents and the neighbourhood.

The Grade-A office leasing market in Hong Kong has shown signs of improvement. An active financial market and the influx of talent and capital, coupled with the suspension of commercial land sales, strengthened market momentum. Leasing activity is accelerating, marked by notable cases of tenant upgrades and expansions, while pressure on rents showed signs of easing in core business areas including Central and West Kowloon. During the period, both IFC in Central and ICC in West Kowloon registered demand for upgrades and in-house expansions from finance-related trades. The occupancy rate of IFC rose to 98%, while ICC maintained a high level of 91%, solidifying their positions as leading bases for the financial sector. The Millennium City office cluster remained competitive despite intense competition in Kowloon East. The Group will continue to implement various asset enhancement initiatives for the properties and surrounding areas in its Kowloon East commercial cluster to further strengthen overall connectivity and attractiveness.

Benefitting from an increase in home rents and satisfactory performance of TOWNPLACE developments, the Group's rental income from its residential leasing business increased moderately during the period. The recently completed enhancements at Vega Suites in Tseung Kwan O has transformed former hotel rooms into serviced suites with comprehensive long-stay facilities, enabling the Group to capture the rising demand from incoming talent and students.

### ***Major Properties under Development***

Positioned as a "gateway" linking Hong Kong with the Mainland and the wider global market, International Gateway Centre (IGC) is the office portion of the Group's latest world-class commercial complex atop the High Speed Rail West Kowloon Terminus. As a cornerstone of West Kowloon's transformation into "Central 2.0", IGC offers approximately 2.6 million square feet of office space across two twin-block towers, of which about 1.2 million square feet is held by the Group as a long-term investment. The office complex acts as a two-way gateway, offering an ideal location for wealth management companies and major corporations to expand into southern China or the global market. With abundant greenery, flexible floor plates, shared business centres, and vibrant social hubs, IGC redefines the standards for the modern workplace. Its superior building quality and sustainability features are underscored by an 'Excellent' BREEAM rating and the highest levels of pre-certification under LEED, WELL, and BEAM Plus.

The uniqueness of IGC lies in its unparalleled connectivity, being directly connected to Hong Kong's only High Speed Rail station and served by four MTR lines. This superior transport network enables convenient access to different parts of the city, Mainland destinations and the Hong Kong International Airport. The High Speed Rail station has become the most popular cross-boundary gateway for tourists travelling between Hong Kong and the Mainland, with direct services now reaching 110 destinations in over 65 Mainland cities. Road transport has also been

significantly enhanced by the partial opening of the Central Kowloon Bypass in late 2025, which shortened travel time between Kai Tak and West Kowloon to around 10 minutes. In addition, IGC also serves as a crucial piece which completes West Kowloon's comprehensive development as a global destination where business facilities converge with cultural landmarks and key transport infrastructure. Designated as the centrepiece in the district, IGC seamlessly weaves together various components with terraces, plazas and passageways. A new 1.5-kilometre Sky Walk connects the old communities of Jordan and Yau Ma Tei directly to the new developments on the harbourfront, contributing to the maturation of the West Kowloon Cultural District.

Following years of planning, the landmark project of IGC has come to fruition with the handover of a 14-storey block to anchor tenant UBS in early 2026. Leasing of the remaining space is progressing smoothly. The Group also wholly owns a 603,000-square-foot podium mall beneath IGC. Together with Elements above MTR Kowloon Station, the mall will form a complementary retail hub of about 1.6 million square feet, enriching the area with additional retail and dining amenities. In addition, the construction of the Artist Square Towers Project in the West Kowloon Cultural District is underway. The three harbourfront towers will provide approximately 672,000 square feet of office space and 27,000 square feet of retail space, offering a low-density work environment designed to complement the surrounding developments. With completion targeted for 2027, pre-leasing for the project has already commenced. These new landmark projects will combine with ICC and other existing properties in the neighbourhood to collectively form a diversified commercial cluster exceeding eight million square feet. In the coming few years, the cluster will stand as the only new commercial hub in Hong Kong offering comparable scale, strategic accessibility, and premium building quality, enhancing the city's role as an international financial and wealth management centre.

## **Property Business – Mainland**

### **Land Bank**

As at 31 December 2025, the Group held a total attributable land bank of 64.6 million square feet on the Mainland, of which about 42.9 million square feet were properties under development. Over 50% of the properties under development will be built into quality residential and office units for sale.

The remaining 21.7 million square feet were completed properties. An overwhelming majority are held for rental and long-term investment purposes, with nearly half being signature integrated projects located in prime business hubs in Shanghai. The Group will continue to focus on developing its existing projects and delivering quality green properties in key cities on the Mainland that meet the evolving needs of customers.

## **Property Development**

The Mainland residential market remained in a state of consolidation during the period under review. In late 2025, the Central Government reduced the value-added tax on short-held home transactions, while Beijing further eased home purchase restrictions in the city. Coupled with a favourable mortgage environment and a national initiative to upgrade the quality of living, these measures will help further promote the healthy and sustainable development of the property market over the long term.

During the period, the Group achieved attributable contracted sales of about RMB1,300 million on the Mainland. The sales were mainly driven by Cullinan West, the exquisite waterfront serviced apartments at the joint-venture Hangzhou IFC in Qianjiang New City CBD, Hangzhou, which garnered good sales responses. Other contributors included the wholly-owned Forest Park adjacent to Guangzhou South Railway Station, as well as the joint-venture Oriental Bund in Foshan.

The Group completed a total attributable gross floor area of about 1.3 million square feet on the Mainland during the period. The delivery of Phase I of IFC Mansion, the residential portion of the integrated Hangzhou IFC, received widespread acclaim for its breathtaking view, unique rooftop gardens and magnificent designs. Projects completed during the period are shown in the following table.

<b>Project</b>	<b>Location</b>	<b>Usage</b>	<b>Group's Interest (%)</b>	<b>Attributable Gross Floor Area (square feet)</b>
ICC Residence, Suzhou Project Phase 4	Yuanqu, Suzhou	Residential	90	531,000
Cullinan West / One IFC River West, Hangzhou IFC (River West)	Qianjiang New City, Hangzhou	Serviced Apartment/ Office	50	304,000
IFC Mansion Phase I, Hangzhou IFC (River East)	Qianjiang New City, Hangzhou	Residential	45	262,000
TODTOWN Tower, TODTOWN Phase 3	Minhang, Shanghai	Office	35	188,000
Oriental Bund Phase 6C	Chancheng, Foshan	Shops	50	23,000
<b>Total</b>				<b>1,308,000</b>

The final portion of ITC in the heart of Xujiahui CBD, Shanghai, is scheduled for completion in the second half of the financial year, offering about 5.6 million square feet of premium office, retail and hotel spaces. Other projects scheduled for completion include Phase II of IFC Mansion in Hangzhou, comprising an attributable gross floor area of about 359,000 square feet, which has already been sold out.

## **Property Investment**

The Group holds a number of premium integrated developments in prime locations of leading Mainland cities. Known for their building quality, sustainability credentials and excellent connectivity, these properties deliver a resilient performance and provide a stable source of recurring income to the Group. During the period under review, the Group's gross rental income on the Mainland, inclusive of contributions from joint ventures and associates, remained relatively steady at RMB2,825 million, with increased contributions from the retail portfolio offsetting the decline in office rental.

### ***Completed Properties***

Comprising primarily premium shopping malls with an attributable gross floor area of nearly nine million square feet, the Group's retail portfolio on the Mainland is a major contributor of rental income. Forming part of mixed-use complexes with excellent transport connectivity, these malls benefit from the synergistic presence of international brand hotels, high-end apartments and Grade-A offices, creating best-in-class lifestyle destinations. During the period, the Group's major malls in first-tier cities reported high occupancies and a recovery of tenant sales.

Supported by nationwide initiatives to boost domestic demand and temporary easing of Sino-US trade tension, consumer sentiment has improved, with high-end consumption showing signs of recovery since July 2025. As a hub of top-tier international brands and home-grown premium labels, Shanghai IFC Mall in Little Lujiazui CBD established itself at the forefront of high-end consumption in Shanghai and the Yangtze River Delta. The mall remained a preferred destination for renowned brands to set up flagship stores and expand their retail footprint, and registered satisfactory growth in tenant sales during the period.

In addition to adopting best market practices, the Group's malls also thrived on emerging trends to drive promotions and tenant sales. With its proximity to a major stadium, Nanjing IFC Mall in Nanjing's Hexi CBD tapped into the emerging "concert economy" by organizing promotions tailored to concertgoers and football fans. The mall also attracted footfall through hosting fan meetings of celebrities. Leveraging its location in Wangfujing shopping hub, Beijing APM hopped onto the "ticket-stub economy" bandwagon, driving extended consumer spending by offering discounts to shoppers who visited nearby attractions in Beijing.

In line with consumer preferences for quality and experiential retail, the Group utilized the outdoor areas of its malls to foster an amiable atmosphere for driving both foot traffic and spending. Parc Central and IGC, the Group's joint-venture malls in Guangzhou, transformed their expansive open spaces with large-scale festive decorations, enhancing their appeal as must-go destinations for the social media-savvy generation day and night. Under the Group's proactive management, both malls continued to register healthy growth in tenant sales.

While headwinds in the office leasing market on the Mainland continued to weigh on rents and occupancy rates, the Group's portfolio of Grade-A offices sustained its competitive edge through excellent locations and connectivity, superior building quality and sustainability features.

Together with the availability of amenities within complexes and the Group's reputation and professional property management, these attributes appealed to multinational companies and large domestic corporations. Tower A office of Three ITC in Xujiahui CBD, Shanghai secured a diversified tenant profile, ranging from retail to medical and professional services. The latest occupancy was over 80%. The Group's other landmark offices in Shanghai, such as Shanghai IFC in Pudong and Shanghai ICC in Puxi, have established strong reputations and customer bases. Tenant retention remained the priority amid keen competition.

### ***Major Properties under Development***

Looking forward, Three ITC in Shanghai is progressing well towards full completion. The final portion comprises the 370-metre office skyscraper Tower B, flagship mall ITC Maison, and hotel Andaz Shanghai ITC. As the tallest building in Puxi, Tower B will provide some 2.4 million square feet of premium office space in Xujiahui CBD, attracting interest from renowned multinational corporations. The 2.6-million-square-foot ITC Maison is directly connected to a metro station. Scheduled for phased opening from the first half of 2026, the mall has drawn interest from various types of retailers including trendy fashion, lifestyle, a variety of popular restaurants and grab-and-go options. Supported by broader visa-free arrangements and a streamlined tax refund process, the new mall is well-positioned to draw an increasing number of visitors. Andaz Shanghai ITC, scheduled to officially open in March 2026, will meet the needs for premium accommodation and further elevate the comprehensiveness of Three ITC as a one-stop destination for commerce, shopping, dining, leisure and entertainment.

The Group's other integrated developments in key Mainland cities are progressing as planned. The joint-venture Hangzhou IFC is being developed in phases. Following the handover of One IFC River West – a 378,000-square-foot office tower in River West – to tenants in July 2025, the Group is developing a vibrant shopping mall in River East. The mall of about 700,000 square feet is scheduled to open in phases from the first half of 2027, timed to serve the new community residing at IFC Mansion, the residential towers above. The adjacent Central Park will open in 2026, providing green space for the neighbourhood.

Seamlessly linked to Guangzhou South Railway Station, the integrated project Guangzhou South Station ICC is scheduled to see the completion of its initial commercial portion in the second half of 2026. A 215,000-square-foot podium mall, Parc Central (Guangzhou South), attracted leasing interest from a range of retailers including restaurants and leisure brands. A 291,000-square-foot office tower, One ICC Guangzhou South Station, was partly pre-leased to an international hospitality brand.

## **Other Businesses**

### **Hotels**

During the period under review, the Group's hotel portfolio in Hong Kong performed well, with most hotels recording an increase in revenue per available room (RevPAR). In particular, luxury hotels registered a strong growth in RevPAR, underpinned by a rise in international visitor arrivals to Hong Kong, along with a vibrant calendar of activities, including concerts, sports tournaments, and other mega events. A resurgence of IPO-related activities also benefitted the hospitality market. Four Seasons Hotel Hong Kong delivered a particularly strong performance, driven by a further rise in foreign and corporate travellers. With favourable conditions in place, performance of the hotel portfolio is expected to continue improving.

The Group's hotel management remained proactive in enhancing asset value and seizing new market opportunities. Rebranding the hotel atop MTR Tseung Kwan O Station as The Royal Garden Kowloon East was a key strategic initiative. The property is undergoing comprehensive renovation for transformation into a new-generation "Urban Resort", featuring upgraded guest rooms, pet-friendly designs and themed family suites to capture the growing demand for staycation and family travel. About one-third of the hotel's 366 guest rooms had been upgraded by January 2026, and the entire upgrading programme is scheduled for completion in the third quarter of 2026. Meanwhile, loyalty programme Go Royal by SHKP continued to expand its membership base to over 260,000 members, with encouraging spending and redemption trends. Collaborating with The Point in offering exclusive privileges, Go Royal further strengthened the synergy between the Group's hospitality and retail property businesses.

On the Mainland, the Group's hotel portfolio achieved further business growth. The Ritz-Carlton Shanghai, Pudong registered record-high room rates, boosted by the sustained influx of foreign travellers to Shanghai. Andaz Nanjing Hexi consolidated its leadership position in Nanjing's high-end hotel market. Four Seasons Hotel Suzhou continued to ramp up its occupancy, with its distinctive lakeside setting and expansive outdoor areas widely recognized as among the best in the region. Andaz Shanghai ITC, with over 260 guest rooms, will mark its grand opening in March 2026 as part of the integrated project Three ITC in Xujiahui. The new premium hotel is set to become one of the leading Andaz hotels worldwide, with quality comparable to the brand's hotel in Tokyo.

### **Telecommunications and Information Technology**

#### ***SmarTone***

During the period under review, SmarTone maintained its leadership in the premium telecommunications market through focusing its efforts on network quality and broadening its services to meet customers' evolving needs. The company demonstrated resilience in profitability despite a very competitive environment.

Several new services were launched, encompassing solutions for smart homes, AI usage, connectivity, scam protection and parental control. Such services included “SmarTone PRIORITY”, which ensures high-speed performance during peak traffic periods using 5G technology; “AI Connect”, which facilitates easy access to global AI tools; and “Kids CARE”, a digital parenting solution to protect children’s well-being. Going beyond meeting basic connectivity needs, SmarTone strives to enhance customers’ daily lives and offer them support in navigating the fast-changing digital world.

The company’s superior network experience continued to stand out, especially in critical locations such as major entertainment venues, MTR stations, tunnels and country parks. The company aspires to maintain its position as Hong Kong’s number one network in terms of quality.

Moving forward, SmarTone will increasingly leverage its strengths to support the Group’s ecosystem across the residential, retail, hospitality and construction sectors, allowing the Group to provide quality telecom and digital services to its customers. The Group maintains full confidence in SmarTone’s prospects and will continue to hold the company as a long-term investment, recognizing its vital role in Hong Kong’s critical digital infrastructure.

### ***SUNeVision***

SUNeVision continued its healthy growth during the period under review. The company is meeting growing demand from Mainland and international hyperscale cloud players, which have been expanding their deployment in Hong Kong over the past few months. Supported by best-in-class infrastructure and abundant power supply, especially at SUNeVision’s MEGA IDC, the company offers high-quality and scalable data centre capacity with short order lead times. SUNeVision’s Mega-i facility, already one of the world’s most established and connected hubs, has also seen further business growth.

While AI-driven demand is expected to remain strong in the data centre market, ongoing geopolitical tensions and global economic volatility will continue to pose uncertainties. SUNeVision will continue to exercise the highest level of cost discipline towards all capital and operating expenditure in order to achieve the best return on capital deployed for shareholders.

SUNeVision won the Judicial Review case against the Hong Kong Science and Technology Parks Corporation (HKSTP) back in May 2022 regarding unauthorized subletting activities among data centre operators in the industrial estate in Tseung Kwan O under HKSTP’s management. Since HKSTP has yet to issue any follow-up announcement on addressing these unlawful activities, SUNeVision strongly encourages the statutory body to disclose any concrete actions taken. Resolving this issue in the most transparent way is critical for the long-term development of Hong Kong’s innovation sector.

### **Infrastructure and Other Businesses**

During the period under review, the Group’s infrastructure and transport businesses in Hong Kong demonstrated resilience. Wilson Group’s parking and tunnel management operations continued

to deliver stable performances. The Hong Kong Business Aviation Centre (HKBAC) opened the first phase of its new terminal, and received widespread praise for its design and customer experience. HKBAC also benefitted from an uptick in business and leisure activities, reporting solid traffic growth. The major revamp of the Airport Freight Forwarding Centre (AFFC) remains on schedule for completion by the end of 2026. This upgrade will modernize the entire infrastructure to world-class standards, meeting the latest needs of tenants for operational efficiency. Amidst a challenging market environment for container handling in Hong Kong, the River Trade Terminal maintained steady financial performance through disciplined cost control.

To cater to evolving customer preferences, YATA completed the renovation of its Sha Tin flagship supermarket in September 2025. The upgraded store features an expanded fresh food section and a fully revamped Ready-To-Eat zone, providing an enhanced overall shopping experience. In addition, a new supermarket concept store “YATA Fresh” was launched at GO PARK 2 in Sai Sha to better serve the needs of the greater Ma On Shan and Sai Kung communities. YATA is also strengthening customer engagement through close collaboration with the Group’s malls and The Point loyalty programme. YATA aims to further enhance its offerings of fresh and high-quality products at reasonable prices, and to provide a pleasant shopping and grab-and-go experience for customers.

## **Corporate Finance**

The Group continues to uphold its commitment to prudent financial management, which has laid a solid foundation for future growth. Supported by the strong sales performance of its property development business, the Group maintained a resilient financial structure with lower gearing, high liquidity and a well-staggered debt maturity profile. The strong financial position allows the Group to make land acquisitions when appropriate opportunities arise. As of 31 December 2025, the Group recorded a net gearing ratio of 13.5% and an interest coverage of 8.7 times. Meanwhile, the Group maintains reliable access to liquidity when required, receiving strong support from the banking community with ample liquidity on standby.

Demonstrating these steadfast efforts and disciplined measures, the Group has received an upgrade in outlook from S&P Global, achieving A+ rating (stable outlook) in September 2025, while Moody’s maintained an A1 rating (stable outlook) for the Group. The Group remains one of the highest-rated real estate companies in Hong Kong.

In addition, recent supportive measures on the Mainland designed to boost the economy and revitalize the property market are gradually taking effect. Supported by its strong credibility, the Group continues to secure bank financing at competitive rates to fund its Mainland operations.

The Group has maintained a conservative financial stance by refraining from any speculative activities. A substantial majority of its debt is denominated in Hong Kong dollars, with all US dollar liabilities fully swapped into Hong Kong dollars to mitigate currency risk. The remaining debt is primarily in Renminbi, providing a natural hedge to better align with the Group’s

Renminbi-denominated assets. Accordingly, the Group's overall foreign exchange exposure is minimal.

## **CORPORATE GOVERNANCE**

The Group is dedicated to upholding the highest standards of corporate governance, a commitment that safeguards all stakeholders' interests and fosters sustainable long-term value. This framework underpins the Group's sustained growth and bolsters its standing and credibility in the market.

The Board of Directors oversees the Group's overall strategies for business operations and its approach to sustainable development. It is composed of 17 members, including seven seasoned Independent Non-Executive Directors (INEDs) who ensure robust oversight. The INEDs possess extensive experience and a deep understanding of the Group's operations, while their consistent independence brings valuable, impartial judgment to Board deliberations. This strategic composition provides a diverse blend of skills and industry knowledge, tailored to navigate the Group's ongoing business development. The Group's governance is further strengthened through four committees. The Executive Committee supports the Board by developing business policies and managing key decisions. In addition, the Audit and Risk Management, Remuneration, and Nomination Committees are all chaired by INEDs, with the Audit and Risk Management Committee composed exclusively of INEDs, thus ensuring that independent views are available to the Board.

The Group's excellence in management and its unwavering commitment to strong governance are validated by prestigious accolades from leading financial publications. At *Euromoney's* Real Estate Awards 2025, held during the period under review, the Group received the top distinction of World's Best Real Estate Developer and retained its titles as the Best Real Estate Developer in the Asia-Pacific region, China and Hong Kong.

## **SUSTAINABLE DEVELOPMENT**

The Group's steadfast commitment to Environmental, Social and Governance (ESG) excellence has earned it solid industry recognition. In 2025, the Group received an AA rating in the MSCI ESG Ratings and continued as a constituent of the Dow Jones Sustainability Asia Pacific Index. The Group also retained the highest AAA rating in the Hang Seng Corporate Sustainability Index Series for the sixth consecutive year.

### ***Environment***

During the period under review, the Group reached a significant environmental milestone with the completion of Hong Kong's largest and first privately funded solar farm built on a landfill. Located at the South East New Territories Landfill in Tseung Kwan O, this joint-venture project has begun generating green electricity with an estimated annual output of 1.2 million kWh,

reducing 468 tonnes of carbon dioxide emissions each year. To establish a closed-loop ESG model, the Group's data centre subsidiary, SUNeVision, has in place a six-year agreement to purchase CLP Renewable Energy Certificates, which are 100% linked to the electricity generated by the solar farm.

The Group has also installed 20,000 solar panels across managed properties and construction sites, generating roughly nine million kWh of electricity annually and cutting carbon emissions by about 3,800 tonnes. This solar panel network is expected to grow to 24,000 by the end of 2026.

The Group boasts one of the largest networks of super-fast EV chargers across all 18 districts in Hong Kong. The facilities continue to achieve strong utilization rates, underscoring robust demand for green mobility solutions. This network will expand to 120 chargers by the end of the first quarter of 2026, with additional installations at new shopping malls, including Scramble Hill and Cullinan Sky Mall.

### ***Community***

In the wake of the Tai Po fire, the Group promptly mobilized resources to support the affected residents. Various business units, including the Group's shopping malls in Tai Po, YATA, and SmarTone, offered on-the-ground assistance and emergency supplies, while the Royal hotels provided 160 guest rooms free of charge to displaced residents.

To further these efforts, The Point launched a platform-based matching donation drive and the SHKP Volunteer Team delivered essential follow-up support to those in need. These initiatives were reinforced by a HK\$20 million donation from the Group for emergency relief. In addition, all donations raised from the Sun Hung Kai Properties Hong Kong Cyclothon – which was cancelled after the fire – together with the Group's 1:1 matching contribution, were redirected to The Community Chest Tai Po Fire Relief Fund.

Upholding the spirit of sports-for-charity, the Group sponsored The Community Chest Corporate Challenge 2025, as it has for several years. Approximately HK\$4.6 million was raised and donated to The Community Chest of Hong Kong to fund rehabilitation and counselling services, including mental health programmes for young people run by four social welfare organizations. The Group also sponsored the Sun Hung Kai Properties Hong Kong 10K Championships 2025 and the Hong Chi Climbathon 2025 to promote physical well-being and social inclusion.

In line with the HKSAR Government's initiative to foster a mega-event economy, the Group fully supported the 15th National Games. A total of 25 SHKP malls hosted a variety of promotional activities to unite the community in cheering for athletes. GO PARK Sai Sha served as a venue for the 2025 National Games Fiesta, hosting sports experiences and performances that immersed the community in the vibrancy of the Games.

As part of its efforts to nurture the next generation and drive Hong Kong's development in innovation and technology, the SHKP Reading Club organized a series of school talks highlighting the nation's rapid advancements in AI and aerospace. These activities aimed to broaden students'

horizons and ignite a passion for scientific innovation. The Group also supported the Government's Strive and Rise Programme for the third consecutive term, with over 200 employees serving as mentors each term.

### ***People***

The Group has engaged top-notch experts of different fields in devising latest structured training and development programmes for staff, especially in the latest technology and innovation fields. During the period, over 100 workshops and webinars to strengthen employees' capabilities in AI and technology were organized, delivered by professors and professionals on topics such as generative AI, data analytics and AI coding. Given the Group's sizeable and diverse customer base, the programmes focused on the use of AI to enhance customer service across different scenarios. The Group will continue to invest in such programmes to upskill its staff and enrich the customer experience.

## **PROSPECTS**

The world is facing rising uncertainties with the escalation of geopolitical risks, intensifying protectionism and the outbreak of conflicts abroad. These, together with the rapid development of AI and robotics, are expected to lead the global economy into uncharted waters. Despite increasing volatility in the market, anticipated further interest rate cuts in the U.S., easing Sino-US tensions and accelerated investment in technology should support moderate global economic growth in 2026.

The Mainland economy continues to demonstrate resilience despite uncertainties from the external environment. Rising high-technology investment and deeper trade cooperation with ASEAN countries are expected to drive further economic growth. In addition to an active stock market and a strengthening Renminbi of late, recent initiatives to expand the nation's opening-up and stimulate consumption should further strengthen consumer confidence and spending, supporting the stable growth of the Mainland economy. In addition, the flexibility that allows local governments to launch city-specific measures for improving supply-demand dynamics should be conducive to medium-to-long-term development of the residential market.

With strong support from the Motherland, Hong Kong's economy is set to maintain steady growth, though momentum among different industries may vary. Robust IPO-related activities and stock market performance have reinforced Hong Kong's position as an international financial centre. In addition, policies supporting family offices and gold trading have strengthened the asset and wealth management sector, positioning Hong Kong to become the world's top wealth management centre. To proactively align with the 15th Five-Year Plan, Hong Kong is accelerating its development as an international innovation and technology (I&T) centre, while enhancing its "super-connector" function in helping Mainland companies go global and advancing the internationalization of the Renminbi. Mega events will continue to boost tourism and vitalize the city, while initiatives to attract talent and build an international education hub are expected to bring new opportunities. Collectively, these factors are anticipated to underpin a positive outlook

for Hong Kong as it enters a new stage of high-quality development. Lower mortgage interest rates, rising home rents and an uptick in home prices will support solid home purchase demand, extending the gradual recovery of the residential market.

Committed to meeting the shifting needs of customers, the Group continues to evolve with the times and proactively embrace the latest market trends. To foster innovation and enhance efficiency and quality, the Group utilizes the latest technologies, including AI, to maintain its competitiveness in a fast-changing operating environment. With its strong financial position, the Group will continue to seize good opportunities to replenish its Hong Kong land bank while upholding prudent financial management.

For property development, the Group will continue to launch new residential projects, unsold residential units from completed projects and selected non-core properties when ready. Following the strong sales performance of SIERRA SEA Phase 2A and 2B, the Group plans to put on the market a number of new residential projects in Hong Kong over the next 10 months, including the second phase of Cullinan Harbour in Kai Tak, a project near MTR Tsuen Wan West Station, a project at Sha Po South in Yuen Long, the first phase of a large-scale development adjacent to MTR Kwu Tung Station, a project near MTR City One Station in Sha Tin, and the first phase of Tung Shing Lei project in Yuen Long. On the Mainland, the Group plans to launch the prestigious houses at Shanghai Arch in Shanghai along with new batches of joint-venture developments, such as Cullinan East at Hangzhou IFC (River East) in Hangzhou, the remaining houses at Lake Genève in Suzhou, and Oriental Bund in Foshan. In addition, the Group will continue to regularly review its portfolio in order to enhance returns and asset turnover.

The Group will maintain its proactive strategy to sustain high occupancy levels across its rental property portfolio, ensuring a sizable and relatively stable rental income stream. The approach includes integrating digital technologies into asset enhancement initiatives to improve operational efficiency and green building performance. The Group will also focus on fostering strong tenant relationships to address evolving needs and achieve high retention rates. Additionally, themed fairs and vibrant activities will be organized to position the Group's shopping malls as dynamic lifestyle destinations, reinforcing their prominence in the era of experience-driven retail.

Amid improved momentum in the leasing markets in Hong Kong, premium properties in prime locations are likely to remain preferred choices for tenants under the prevailing flight-to-quality trend. Several new projects will position the Group to capture such demand. The IGC office towers atop the High Speed Rail West Kowloon Terminus have been completed, with one tower handed over to an anchor tenant in early 2026. Scramble Hill in Kowloon East and Cullinan Sky Mall in Kai Tak have recently welcomed their first batch of tenants. In Shanghai, the final portion of Three ITC, encompassing office skyscraper Tower B, flagship mall ITC Maison and hotel Andaz Shanghai ITC, is opening in stages following the completion in early 2026. In Hangzhou, a shopping mall at River East is targeted to open in phases starting from the first half of 2027, following the completion of office tower One IFC River West. All these new projects are expected to expand the Group's recurring income base and generate additional rental income at a gradual pace.

Over the past few decades, Hong Kong has overcome economic and social challenges to emerge as a leading international financial centre. Through every cycle, the Group has grown alongside its home city, building invaluable experience and resilience in navigating challenges. The Group continued to pursue new investments and add new landmarks to the Hong Kong skyline regardless of economic ups and downs. Today, Hong Kong stands at a pivotal moment of transformation and upgrade driven by technological progress. While remaining highly vigilant against geopolitical risks, the city seeks to fully leverage its unique advantage of being connected to both the Mainland and the world, pursuing further development under the strategic positioning of “four centres and a hub” – international financial, shipping, trade, and I&T centres, as well as an international hub for high-calibre talent.

With change comes opportunity, and the Group is ready to adapt to new circumstances and embrace new opportunities with its reputable brand, strong financial position, seasoned management and proven strategies. Building on the successful precedents of IFC and ICC, landmarks completed at the onset of upward market trends, the Group is confident that IGC is well positioned to capture opportunities arising from Hong Kong’s economic transformation. Confident in the long-term prospects of both Hong Kong and the Mainland, the Group will continue to enhance residents’ quality of life through harnessing the latest technologies to deliver high-quality properties and services. This steadfast commitment will fuel the growth of the Group and the city alike, fostering sustainable communities that align with Hong Kong’s further integration with national development.

## **CHANGE OF DIRECTOR**

With effect from 3 February 2026, Ms. Fung Sau-yim, Maureen resigned as an Executive Director of the Company due to health issues.

## **APPRECIATION**

I would like to extend my sincere appreciation to our dedicated staff, whose commitment and perseverance have been pivotal in sustaining the Group’s resilience amid an evolving economic environment. My gratitude also goes to my fellow directors for their valuable guidance, and to our shareholders and customers for their unwavering trust and support.

**Kwok Ping-luen, Raymond**  
*Chairman & Managing Director*  
Hong Kong, 26 February 2026

## ANNOUNCEMENT

The Board of Directors of Sun Hung Kai Properties Limited announces the following unaudited consolidated figures of the Group for the six months ended 31 December 2025 with comparative figures for 2024:

**Consolidated Income Statement**  
**For the six months ended 31 December 2025**  
*(Expressed in millions of Hong Kong dollars)*

		<b>(Unaudited)</b>	
		<b>Six months ended</b>	
		<b>31 December</b>	
	<b>Notes</b>	<b>2025</b>	<b>2024</b>
<b>Revenue</b>	<b>2</b>	<b>52,705</b>	39,933
Direct costs		<b>(36,687)</b>	(24,414)
Other net income	<b>3</b>	<b>766</b>	704
Selling and marketing expenses		<b>(1,802)</b>	(2,520)
Administrative expenses		<b>(1,584)</b>	(1,605)
<b>Operating profit</b>	<b>2</b>	<b>13,398</b>	12,098
Change in fair value of investment properties		<b>(1,307)</b>	(2,875)
Finance costs		<b>(1,000)</b>	(1,660)
Finance income		<b>190</b>	213
Net finance costs	<b>4</b>	<b>(810)</b>	(1,447)
Share of results of:			
Associates		<b>135</b>	65
Joint ventures		<b>2,347</b>	1,807
	<b>2</b>	<b>2,482</b>	1,872
<b>Profit before taxation</b>	<b>5</b>	<b>13,763</b>	9,648
Taxation	<b>6</b>	<b>(3,178)</b>	(1,807)
<b>Profit for the period</b>		<b>10,585</b>	7,841
<b>Profit for the period attributable to:</b>			
Company's shareholders		<b>10,247</b>	7,523
Non-controlling interests		<b>338</b>	318
		<b>10,585</b>	7,841
<i>(Expressed in Hong Kong dollars)</i>			
<b>Earnings per share based on profit attributable to the Company's shareholders (reported earnings per share)</b>	<b>7(a)</b>		
Basic and diluted		<b>\$3.54</b>	\$2.60
<b>Earnings per share excluding the effect of change in fair value of investment properties net of deferred tax (underlying earnings per share)</b>	<b>7(b)</b>		
Basic and diluted		<b>\$4.21</b>	\$3.61

**Consolidated Statement of Comprehensive Income**  
**For the six months ended 31 December 2025**

*(Expressed in millions of Hong Kong dollars)*

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
<b>Profit for the period</b>	<b>10,585</b>	<b>7,841</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange difference on translation of Mainland subsidiaries	<b>1,294</b>	(864)
Cash flow hedge		
- fair value losses recognized directly through other comprehensive income	-	(33)
- fair value gains transferred to consolidated income statement	(19)	(16)
	<b>(19)</b>	<b>(49)</b>
Fair value gains of debt securities at fair value through other comprehensive income	<b>1</b>	<b>1</b>
Share of other comprehensive income/(losses) of associates and joint ventures	<b>311</b>	(193)
<b>Items that will not be reclassified to profit or loss:</b>		
Fair value gains/(losses) of equity securities at fair value through other comprehensive income	<b>44</b>	(39)
Share of other comprehensive income of an associate	<b>101</b>	<b>52</b>
<b>Other comprehensive income/(losses) for the period</b>	<b>1,732</b>	<b>(1,092)</b>
<b>Total comprehensive income for the period</b>	<b>12,317</b>	<b>6,749</b>
<b>Total comprehensive income for the period attributable to:</b>		
Company's shareholders	<b>11,961</b>	<b>6,440</b>
Non-controlling interests	<b>356</b>	<b>309</b>
	<b>12,317</b>	<b>6,749</b>

**Consolidated Statement of Financial Position  
As at 31 December 2025**

*(Expressed in millions of Hong Kong dollars)*

	Notes	(Unaudited) 31 December 2025	(Audited) 30 June 2025
<b>Non-current assets</b>			
Investment properties	9	420,074	417,045
Property, plant and equipment		50,622	50,689
Associates		8,315	8,136
Joint ventures		98,311	96,551
Financial investments		1,274	1,197
Intangible assets		3,605	3,839
Other non-current assets		3,269	3,724
		<u>585,470</u>	<u>581,181</u>
<b>Current assets</b>			
Properties for sale		179,150	197,452
Inventories		538	417
Trade and other receivables	10	23,504	20,060
Financial investments		984	864
Bank deposits and cash		19,529	16,919
		<u>223,705</u>	<u>235,712</u>
<b>Current liabilities</b>			
Bank and other borrowings		(17,003)	(14,384)
Trade and other payables	11	(32,609)	(32,412)
Deposits received on sales of properties		(8,417)	(14,300)
Current tax payable		(10,122)	(8,996)
		<u>(68,151)</u>	<u>(70,092)</u>
<b>Net current assets</b>		<u>155,554</u>	<u>165,620</u>
<b>Total assets less current liabilities</b>		<u>741,024</u>	<u>746,801</u>
<b>Non-current liabilities</b>			
Bank and other borrowings		(86,172)	(95,833)
Deferred tax liabilities		(24,104)	(24,031)
Other non-current liabilities		(4,339)	(4,563)
		<u>(114,615)</u>	<u>(124,427)</u>
<b>NET ASSETS</b>		<u>626,409</u>	<u>622,374</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		70,703	70,703
Reserves		550,997	547,148
<b>Shareholders' equity</b>		<u>621,700</u>	<u>617,851</u>
<b>Non-controlling interests</b>		4,709	4,523
<b>TOTAL EQUITY</b>		<u>626,409</u>	<u>622,374</u>

## **Notes to the Condensed Consolidated Financial Statements**

*(Expressed in millions of Hong Kong dollars)*

### **1. Basis of Preparation**

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34, Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”).

The financial information relating to the year ended 30 June 2025 included in these condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. The Company has delivered the consolidated financial statements for the year ended 30 June 2025 to the Registrar of Companies and the Company's auditor has reported on those consolidated 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 section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

The accounting policies applied in the preparation of these interim financial statements are consistent with those applied in the consolidated financial statements for the year ended 30 June 2025. The Group has adopted a number of amendments to HKFRS Accounting Standards that are effective for the first time for this interim period. None of these amendments had a material impact on the Group's financial statements.

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

## Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

### 2. Segment Information

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

#### (a) Segment revenue and results

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

#### For the six months ended 31 December 2025

	The Company and its subsidiaries		Associates and joint ventures		Combined revenue	Consolidated results
	Revenue	Results	Share of revenue	Share of results		
Property development						
Hong Kong	26,474	2,005	9	7	26,483	2,012
Mainland	3,383	2,021	2,489	852	5,872	2,873
	29,857	4,026	2,498	859	32,355	4,885
Property rental						
Hong Kong	7,443	5,239	1,354	1,026	8,797	6,265
Mainland	2,442	1,938	656	462	3,098	2,400
Singapore	-	-	390	285	390	285
	9,885	7,177	2,400	1,773	12,285	8,950
Hotel operations	2,319	341	460	87	2,779	428
Telecommunications	3,561	392	-	-	3,561	392
Transport infrastructure and logistics	1,820	317	2,184	257	4,004	574
Data centre operations	1,508	762	-	-	1,508	762
Other businesses	3,755	546	16	3	3,771	549
Segment total	52,705	13,561	7,558	2,979	60,263	16,540
Other net income		766		136		902
Unallocated administrative expenses		(929)		-		(929)
Operating profit		13,398		3,115		16,513
Change in fair value of investment properties						
Hong Kong		296		426		722
Mainland		(1,603)		136		(1,467)
Singapore		-		-		-
		(1,307)		562		(745)
Net finance costs		(810)		(304)		(1,114)
Profit before taxation		11,281		3,373		14,654
Taxation						
- Group		(3,178)		-		(3,178)
- Associates		-		(29)		(29)
- Joint ventures		-		(862)		(862)
Profit for the period		8,103		2,482		10,585

**Notes to the Condensed Consolidated Financial Statements**  
(Expressed in millions of Hong Kong dollars)

For the six months ended 31 December 2024

	The Company and its subsidiaries		Associates and joint ventures		Combined revenue	Consolidated results
	Revenue	Results	Share of revenue	Share of results		
Property development						
Hong Kong	16,031	2,325	-	-	16,031	2,325
Mainland	330	86	287	95	617	181
	16,361	2,411	287	95	16,648	2,506
Property rental						
Hong Kong	7,485	5,319	1,328	1,020	8,813	6,339
Mainland	2,508	1,970	581	407	3,089	2,377
Singapore	-	-	378	288	378	288
	9,993	7,289	2,287	1,715	12,280	9,004
Hotel operations	2,278	313	420	64	2,698	377
Telecommunications	3,492	420	-	-	3,492	420
Transport infrastructure and logistics	2,280	615	2,070	251	4,350	866
Data centre operations	1,470	745	-	-	1,470	745
Other businesses	4,059	544	55	4	4,114	548
Segment total	<u>39,933</u>	<u>12,337</u>	<u>5,119</u>	<u>2,129</u>	<u>45,052</u>	<u>14,466</u>
Other net income/(loss)		704		(141)		563
Unallocated administrative expenses		(943)		-		(943)
Operating profit		12,098		1,988		14,086
Change in fair value of investment properties						
Hong Kong		(2,538)		(205)		(2,743)
Mainland		(337)		64		(273)
Singapore		-		774		774
		(2,875)		633		(2,242)
Net finance costs		(1,447)		(376)		(1,823)
Profit before taxation		7,776		2,245		10,021
Taxation						
- Group		(1,807)		-		(1,807)
- Associates		-		(25)		(25)
- Joint ventures		-		(348)		(348)
Profit for the period		<u>5,969</u>		<u>1,872</u>		<u>7,841</u>

Results from property development include selling and marketing expenses of HK\$112 million (2024: HK\$341 million) and HK\$74 million (2024: HK\$106 million) relating to the pre-sale of property projects under construction in Hong Kong and Mainland, respectively.

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

## Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

### (b) Geographical information

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

	Six months ended 31 December	
	2025	2024
Hong Kong	46,445	36,627
Mainland	6,259	3,245
Others	1	61
	<u>52,705</u>	<u>39,933</u>

### 3. Other Net Income

	Six months ended 31 December	
	2025	2024
Gain on land resumption <sup>(a)</sup>	389	1,122
Profit on sale of investment properties <sup>(b)</sup>	181	249
Impairment provisions for development properties <sup>(c)</sup>	-	(1,084)
Others	196	417
	<u>766</u>	<u>704</u>

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

(b) Profit on sale of investment properties for the period, mostly derived from the disposal of certain units in Dynasty Court and Shouson Peak, was calculated based on net sales proceeds over fair values. Underlying profit inclusive of HK\$1,662 million fair value gains realized amounted to HK\$1,843 million.

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

## Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

### 4. Net Finance Costs

	Six months ended	
	31 December	
	2025	2024
Interest and other finance costs on bank and other borrowings	1,658	2,578
Notional non-cash interest accretion	29	31
Finance costs on lease liabilities	43	44
Less: Amount capitalized	(730)	(993)
	<u>1,000</u>	<u>1,660</u>
Interest income on bank deposits	(190)	(213)
	<u>810</u>	<u>1,447</u>

### 5. Profit before Taxation

	Six months ended	
	31 December	
	2025	2024
Profit before taxation is arrived at		
after charging:		
Cost of properties sold	24,988	12,428
Cost of other inventories sold	1,893	1,691
Depreciation of property, plant and equipment	1,538	1,528
Amortization of		
Intangible assets (included in direct costs)	235	368
Contract acquisition costs	487	732
Credit loss allowance on financial assets and contract assets	7	88
Lease expenses		
Short-term and low-value assets leases	57	77
Variable lease payments	18	17
Staff costs (including directors' emoluments and retirement schemes contributions)	5,069	5,287
Share-based payments	12	3
Loss on disposal of financial investments at fair value through profit or loss	-	4
Fair value losses on financial investments at fair value through profit or loss	-	45
Loss on disposal of property, plant and equipment	3	50
and crediting:		
Dividend income from investments	26	51
Interest income from investments	16	17
Fair value gains on financial investments at fair value through profit or loss	127	-

## Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

### 6. Taxation

	Six months ended	
	31 December	
	2025	2024
Current tax expenses		
Hong Kong profits tax	1,247	1,210
Over provision in prior years	(3)	(3)
	<u>1,244</u>	<u>1,207</u>
Tax outside Hong Kong	2,219	671
Total current tax	<u>3,463</u>	<u>1,878</u>
Deferred tax credit		
Change in fair value of investment properties	(468)	(198)
Other origination and reversal of temporary differences	183	127
Total deferred tax	<u>(285)</u>	<u>(71)</u>
Total income tax expenses	<u>3,178</u>	<u>1,807</u>

Hong Kong profits tax is provided at the rate of 16.5% (2024: 16.5%) based on the estimated assessable profits for the period. Tax outside Hong Kong, which includes Mainland land appreciation tax and withholding tax on income distributions, is calculated at the rates applicable in the relevant jurisdictions.

### 7. Earnings per Share

(a) Reported earnings per share

The calculations of basic and diluted earnings per share are based on the Group's profit for the period attributable to the Company's shareholders of HK\$10,247 million (2024: HK\$7,523 million).

The basic earnings per share is based on the weighted average number of shares in issue during the interim period of 2,897,780,274 (2024: 2,897,780,274) shares.

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

## Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

### (b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are additionally calculated based on the underlying profit for the period attributable to the Company's shareholders of HK\$12,213 million (2024: HK\$10,463 million), which excluded the fair value changes on investment properties, and included the fair value gains realized on sale of investment properties. A reconciliation of profit is as follows:

	<b>Six months ended</b>	
	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
Profit attributable to the Company's shareholders as shown in the consolidated income statement	<b>10,247</b>	7,523
Decrease/(increase) in fair value of investment properties		
Subsidiaries	<b>1,307</b>	2,875
Associates	<b>34</b>	64
Joint ventures	<b>(596)</b>	(697)
	<b>745</b>	2,242
Effect of corresponding deferred tax expenses		
Subsidiaries	<b>(468)</b>	(198)
Joint ventures	<b>44</b>	5
Non-controlling interests	<b>(17)</b>	(15)
Unrealized fair value losses of investment properties net of deferred tax	<b>304</b>	2,034
Fair value gains of investment properties realized on disposal	<b>1,662</b>	906
Net effect of change in fair value of investment properties	<b>1,966</b>	2,940
Underlying profit attributable to the Company's shareholders	<b>12,213</b>	10,463

**Notes to the Condensed Consolidated Financial Statements**  
(Expressed in millions of Hong Kong dollars)

**8. Dividends**

- (a) Interim dividend payable to equity shareholders of the Company declared after the interim period

	<b>Six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Interim dividend declared after the interim period of HK\$0.98 (2024: HK\$0.95) per share	<b>2,840</b>	<b>2,753</b>

The interim 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 payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period

	<b>Six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK\$2.80 (2024: HK\$2.80) per share	<b>8,114</b>	<b>8,114</b>

**9. Investment Properties**

- (a) Movement during the period

	<b>Completed</b>	<b>Under development</b>	<b>Total</b>
Valuation			
At 1 July 2025	351,394	65,651	417,045
Additions	1,880	2,777	4,657
Transfer upon completion	2,950	(2,950)	-
Transfer from property, plant and equipment	42	-	42
Disposals	(2,281)	-	(2,281)
Exchange difference	1,290	628	1,918
Decrease in fair value	(350)	(957)	(1,307)
At 31 December 2025	<b>354,925</b>	<b>65,149</b>	<b>420,074</b>

## Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

- (b) The Group's investment properties were valued at their fair values at 31 December 2025 and 30 June 2025 by Knight Frank Petty Limited, an independent firm of professional qualified valuers, on a market value basis, in accordance with Valuation Standards on Properties issued by Hong Kong Institute of Surveyors.

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

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

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

	Fair value		Weighted average capitalization rate	
	31 December 2025	30 June 2025	31 December 2025	30 June 2025
<b>Completed</b>				
Hong Kong	278,476	275,417	5.0%	5.0%
Mainland	76,449	75,977	6.6%	6.6%
	<u>354,925</u>	<u>351,394</u>		

	Fair value (residual method)		Capitalization rate	
	31 December 2025	30 June 2025	31 December 2025	30 June 2025
<b>Under development</b>				
Hong Kong	28,491	29,662	3.3% - 5.5%	3.3% - 5.5%
Mainland	36,658	35,989	5.0% - 8.8%	5.0% - 8.8%
	<u>65,149</u>	<u>65,651</u>		

## **Notes to the Condensed Consolidated Financial Statements**

*(Expressed in millions of Hong Kong dollars)*

### **10. Trade and Other Receivables**

Included in trade and other receivables of the Group are trade receivables of HK\$3,479 million (30 June 2025: HK\$3,252 million), of which 61% are aged less than 30 days, 14% between 31 to 60 days, 8% between 61 to 90 days and 17% more than 90 days (30 June 2025: 59%, 13%, 10% and 18% respectively).

### **11. Trade and Other Payables**

Included in trade and other payables of the Group are trade payables of HK\$2,613 million (30 June 2025: HK\$2,476 million), of which 62% are aged less than 30 days, 12% between 31 to 60 days, 2% between 61 to 90 days and 24% more than 90 days (30 June 2025: 59%, 7%, 3% and 31% respectively).

## FINANCIAL REVIEW

### REVIEW OF RESULT FOR THE FIRST HALF OF FY2025/26

Underlying profit attributable to the Company's shareholders, excluding fair value changes on investment properties and including the fair value gains realized on sale of investment properties for the six months ended 31 December 2025 was HK\$12,213 million, increased by 17% or HK\$1,750 million compared to HK\$10,463 million for the same period last year.

Reported profit attributable to Company's shareholders increased by HK\$2,724 million to HK\$10,247 million (2024: HK\$7,523 million), after including the impact of revaluation of investment properties. The Group recorded a net decrease in fair value of investment properties (after deferred tax and non-controlling interests) of HK\$304 million (2024: decrease of HK\$2,034 million).

	<i>Six months ended 31 December</i>	
	<b>2025</b>	2024
	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Reported profit attributable to Company's shareholders	<b>10,247</b>	7,523
Adjustments in respect of investment properties		
Decrease in fair value, net of tax and non-controlling interests	<b>304</b>	2,034
Fair value gains realized on disposal during the period	<b>1,662</b>	906
	<b>1,966</b>	2,940
Underlying profit attributable to Company's shareholders	<b>12,213</b>	10,463

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

The Group's total revenue across all business segments (including share of joint ventures and associates) for the six months ended 31 December 2025 increased by 34% year-on-year to HK\$60,263 million, primarily driven by a 94% rise in revenue from property development to HK\$32,355 million. Overall rental revenue remained steady at HK\$12,285 million (2024: HK\$12,280 million).

Total segment operating profit was HK\$16,540 million (2024: HK\$14,466 million). Development profit increased by HK\$2,379 million to HK\$4,885 million, mainly due to higher profit booking from the Mainland. Recurring profit amounted to HK\$11,655 million (2024: HK\$11,960 million), with net rental income contributing HK\$8,950 million (2024: HK\$9,004 million) of the total.

Revenue and Operating profit by segment for the six months ended 31 December  
(including share of joint ventures and associates)

	Revenue		Operating profit	
	2025	2024	2025	2024
	<i>HK\$ Million</i>	<i>HK\$ Million</i>	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Property development				
Hong Kong	<b>26,483</b>	16,031	<b>2,012</b>	2,325
Mainland	<b>5,872</b>	617	<b>2,873</b>	181
	<b>32,355</b>	16,648	<b>4,885</b>	2,506
Property rental				
Hong Kong	<b>8,797</b>	8,813	<b>6,265</b>	6,339
Mainland	<b>3,098</b>	3,089	<b>2,400</b>	2,377
Singapore	<b>390</b>	378	<b>285</b>	288
	<b>12,285</b>	12,280	<b>8,950</b>	9,004
Hotel operations	<b>2,779</b>	2,698	<b>428</b>	377
Telecommunications	<b>3,561</b>	3,492	<b>392</b>	420
Transport infrastructure and logistics	<b>4,004</b>	4,350	<b>574</b>	866
Data centre operations	<b>1,508</b>	1,470	<b>762</b>	745
Other businesses	<b>3,771</b>	4,114	<b>549</b>	548
Segment total	<b>60,263</b>	45,052	<b>16,540</b>	14,466

Revenue from property development (including share of joint ventures) in Hong Kong for the six months ended 31 December 2025 increased by 65% to HK\$26,483 million (2024: HK\$16,031 million), primarily driven by the booking of sales in Cullinan Sky Phase 1 and SIERRA SEA Phase 1 completed during the period. Other contributions came from the sales of various stock of prior years' developments including NOVO LAND Phase 3A, Victoria Harbour, St. Barths, St Martin, The YOHO Hub II and YOHO WEST. Total development profit decreased by 13% year-on-year to HK\$2,012 million, mainly due to low profit margin from the newly completed development projects. Average profit margin was about 8% compared to 15% for the same period last year.

During the period under review, the Group completed the sales of certain residential units held as investment properties including 29 units in Dynasty Court and 4 units in Shouson Peak, realizing total net proceeds of HK\$2,590 million. The disposals generated an underlying profit of HK\$1,826 million, which includes the realization of prior fair value gains and represents a 71% profit margin. Including these disposals, the total underlying profit from residential property sales in Hong Kong for the period reached HK\$3,838 million, representing an overall profit margin of 13%.

Revenue from property development (including share of joint ventures) on the Mainland increased by HK\$5,255 million year-on-year to HK\$5,872 million, mainly due to higher sales volume of residential units recognized during the period as compared to the same period last year. Development profit amounted to HK\$2,873 million (2024: HK\$181 million), mainly contributed from sales of residential units in IFC Mansion in Hangzhou IFC (River East), Lake Genève Phase 2 and ICC Residence in Suzhou.

As at 31 December 2025, contracted sales of properties (including investment properties) attributable to the Group (including share of joint ventures) not yet recognized amounted to HK\$26.3 billion, comprising HK\$22.2 billion in Hong Kong, of which about HK\$10.8 billion is expected to be recognized in the second half of the current financial year and HK\$10.4 billion in the next financial year, and HK\$4.1 billion on the Mainland, of which HK\$4.0 billion will be booked in the second half of the current financial year and the remaining in the next financial year.

Rental revenue of property investment in Hong Kong, including share of joint ventures and associates, remained flat year-on-year at HK\$8,797 million, with net rental income decreased by 1% to HK\$6,265 million. The office portfolio generated steady revenue of HK\$2,834 million (2024: HK\$2,847 million), primarily driven by sustained high occupancy rates. Revenue of the retail portfolio decreased slightly by 1% to HK\$4,535 million (2024: HK\$4,593 million), mainly due to decline in rent rates. Revenue of the Group's residential and serviced apartment portfolio grew by 10% year-on-year, driven by steady increases in both rents and occupancy.

Rental revenue of the Mainland portfolio, including share of joint ventures, held steady at HK\$3,098 million (or RMB2,825 million), with net rental income increased by 1% to HK\$2,400 million compared to the prior-year period. Revenue of the retail portfolio grew approximately 5% to HK\$2,100 million (2024: HK\$2,007 million), primarily due to increases in turnover rents. This was partially offset by the office portfolio, where revenue fell 9% to HK\$814 million (2024: HK\$895 million), mainly because of negative rental reversions.

Hotel segment revenue (including share of joint ventures) increased by 3% year-on-year to HK\$2,779 million, primarily driven by increase in room revenue due to improved room rates and occupancy. EBITDA grew 12% to HK\$796 million. Operating profit amounted to HK\$428 million.

SmarTone's revenue was HK\$3,561 million, increased by 2% year-on-year, primarily due to higher handset and accessory sales. Operating profit decreased by 7% year-on-year to HK\$392 million, mainly due to a one-off gain from the disposal of its Macau business included in last year's results. Excluding this item, underlying operating profit increased by 6%, driven by steady growth in 5G home broadband business and reduction in operating costs.

The Group's transport infrastructure and logistics segment (including share of joint ventures and associates) remained resilient. The business aviation centre operations, Airport Freight Forwarding Centre, and franchised bus services all showed improved performance. Due to the cessation of the Route 3 operations upon expiry of its franchise in May 2025, revenue for the period decreased by 8% to HK\$4,004 million, and operating profit dropped by HK\$292 million or 34% to HK\$574 million as compared to the same period last year.

SUNeVision's revenue increased by 3% to HK\$1,508 million with operating profit increased by 2% to HK\$762 million, driven by increase in contract prices and new customer move-ins at the new data centres.

The Group's other businesses (including share of joint ventures and associates), which include mainly property management, department store operations and financial services, reported an 8% decrease in revenue to HK\$3,771 million with operating profit maintained at HK\$549 million.

## Other Net Income

Other net income (including share of joint ventures and associates) amounted to HK\$902 million (2024: HK\$563 million). This included a HK\$523 million gain from land resumption by the Government and a reported profit of HK\$181 million from the sale of investment properties.

During the period under review, certain land lots with a total site area of about 1.1 million square feet owned by the Group (including share of joint ventures), mainly located in San Tin, Hung Shui Kiu/Ha Tsuen New Development Area and along the Northern Link Main Line, were resumed by the Government for a total compensation of approximately HK\$1,100 million.

The reported profit of HK\$181 million on sale of investment properties (calculated based on net sales proceeds over fair value) was mainly contributed from the disposal of certain residential units in Dynasty Court and Shouson Peak. Underlying profit inclusive of HK\$1,662 million fair value gains realized amounted to HK\$1,843 million. Another 14 units in Dynasty Court, with a total purchase consideration of approximately HK\$1,016 million, are scheduled for handover in the second half of the financial year.

## Fair Value Change of Investment Properties

Investment properties were carried at fair values based on independent valuation as at 31 December 2025. These consist of completed investment properties and investment properties under development.

The Group (including share of joint ventures and associates) recorded a net decrease of HK\$745 million (2024: decrease of HK\$2,242 million) in the fair value of investment properties, comprising an increase of HK\$722 million (2024: decrease of HK\$2,743 million) in Hong Kong and a decrease of HK\$1,467 million (2024: decrease of HK\$273 million) in the Mainland.

A net decrease in fair value attributable to the Company's shareholders (after related deferred tax and non-controlling interests) of HK\$304 million (2024: net decrease of HK\$2,034 million) was reported in the consolidated income statement.

## Finance Costs and Interest Cover

For the six months ended 31 December 2025, the Group's net finance costs including capitalized interest decreased by HK\$900 million or 37% to HK\$1,540 million (2024: HK\$2,440 million), driven by a reduction in net debt as well as lower average effective cost of borrowings, which went down to 3.0% (2024: 4.0%). Net finance costs charged to the income statement (after interest capitalized) decreased by HK\$637 million or 44% to HK\$810 million (2024: HK\$1,447 million).

Interest cover for the period was 8.7 times (2024: 5.0 times), measured by the ratio of operating profit to total net interest expenses including those capitalized.

The average effective interest rate of the Group's borrowings for the six months ended 31 December 2025 is analyzed as follows:

	<b>Six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Fixed rate	<b>2.8%</b>	2.8%
Floating rate	<b>3.1%</b>	4.6%
Weighted average interest rate	<b>3.0%</b>	4.0%

## **Financial Management**

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

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

### Gearing Ratio

The Group's balance sheet remains strong. Shareholders' equity was HK\$621.7 billion or HK\$214.5 per share as at 31 December 2025 compared to HK\$617.9 billion as at 30 June 2025. The increase was primarily attributable to profit attributable to the shareholders of HK\$10.2 billion and foreign exchange gain of HK\$1.6 billion on translation of financial statements of the Mainland and overseas operations, offset by dividends of HK\$8.1 billion paid during the period.

The Group's net debt amounted to HK\$83,646 million as at 31 December 2025 (30 June 2025: HK\$93,298 million), decreased by HK\$9,652 million, primarily driven by cash inflows from property sales and lower construction spending. Gearing ratio, calculated based on net debt to shareholders' equity of the Company, was 13.5% (30 June 2025: 15.1%).

### Debt Maturity Profile and Composition

The Group's gross borrowings amounted to HK\$103,175 million as at 31 December 2025, of which 64% were bank loans and 36% were notes and bonds, which are repayable on various dates up to June 2033. 65% of the Group's gross borrowing was raised through wholly-owned finance subsidiaries and the remaining 35% through operating subsidiaries.

The Group's debt maturity profile was well-staggered with around 62% of the borrowings repayable after two years. The weighted average duration of the entire debt portfolio was approximately 3.0 years as of 31 December 2025 (30 June 2025: 3.1 years).

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

	<u>At 31 December 2025</u>		<u>At 30 June 2025</u>	
	<i>HK\$ Million</i>	<b>% of Total</b>	<i>HK\$ Million</i>	<b>% of Total</b>
Repayable:				
Within one year	<b>17,003</b>	<b>16%</b>	14,384	13%
After one year but within two years	<b>22,563</b>	<b>22%</b>	19,071	17%
After two years but within five years	<b>49,942</b>	<b>49%</b>	63,908	58%
After five years	<b>13,667</b>	<b>13%</b>	12,854	12%
Total bank and other borrowings	<b>103,175</b>	<b>100%</b>	110,217	100%
Bank deposits and cash	<b>19,529</b>		16,919	
Net debt	<b>83,646</b>		93,298	

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

(i) By currency (after currency swap)

	<u>At 31 December 2025</u>		<u>At 30 June 2025</u>	
	<i>HK\$ Million</i>	<b>% of Total</b>	<i>HK\$ Million</i>	<b>% of Total</b>
Hong Kong dollar	<b>71,594</b>	<b>69%</b>	77,834	70%
RMB	<b>29,619</b>	<b>29%</b>	30,411	28%
British pound	<b>1,962</b>	<b>2%</b>	1,972	2%
Total borrowings	<b>103,175</b>	<b>100%</b>	110,217	100%

When financing operations outside Hong Kong, the Group will borrow on the same currency as the underlying assets or when feasible, hedge through cross currency swaps for exchange risk exposure. As of 31 December 2025, about 29% of the Group's total borrowings were denominated in RMB to act as natural hedges of net investments in the Mainland.

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

	<u>At 31 December 2025</u>		<u>At 30 June 2025</u>	
	<i>HK\$ Million</i>	<b>% of Total</b>	<i>HK\$ Million</i>	<b>% of Total</b>
Fixed	<b>38,385</b>	<b>37%</b>	42,151	38%
Floating				
- Hong Kong dollar	<b>41,084</b>	<b>40%</b>	47,324	43%
- RMB	<b>21,744</b>	<b>21%</b>	18,770	17%
- British pound	<b>1,962</b>	<b>2%</b>	1,972	2%
Total borrowings	<b>103,175</b>	<b>100%</b>	110,217	100%

## Financial Resources

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

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

## Foreign Exchange Rate Risk Management

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

The Group is exposed to currency translation risk mainly arising from translating the financial statements of subsidiaries and joint ventures operating in the Mainland. The Group has not entered into foreign currency derivatives to hedge the translation risk exposure of its net investments in Mainland and maintained an appropriate level of RMB-denominated financial resources for capital requirements. Land acquisition for Mainland projects are principally financed by capital injection funded by the Group's equity and internally generated funds. On-going business operations in the Mainland are financed through internal resources and borrowings in RMB. As at 31 December 2025, approximately 17% of the Group's net assets were denominated in RMB. Compared to 30 June 2025, RMB appreciated against Hong Kong dollar by about 1.7%. The translation of these RMB assets into Hong Kong dollar at the exchange rate as of 31 December 2025 resulted in a translation gain of approximately HK\$1.7 billion (2024: loss of HK\$1.1 billion), recognized in the exchange reserve.

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

## Derivative Instruments

As at 31 December 2025, the Group entered certain interest rate swaps and cross currency interest rate swaps in the aggregate notional amount of HK\$16,302 million to manage its interest rate risk and currency risk exposures. The use of derivative instruments is strictly controlled and solely for hedging the Group's underlying financial exposures for its core business operations. It is the Group's policy not to enter into derivative and structured product transactions for speculative purposes.

## Bank Deposits and Cash

As at 31 December 2025, the Group's bank deposits and cash amounted to HK\$19,529 million, of which 61% were denominated in Hong Kong dollar, 27% in RMB, and the remaining 12% mostly in US dollar. The RMB deposits were mostly held by the Mainland subsidiaries for meeting the funding needs of their Mainland projects.

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

## **Charges of Assets**

As at 31 December 2025, certain bank deposits of the Group's subsidiaries in the aggregate amount of HK\$45 million were pledged for securing guarantees issued by the banks. Additionally, certain assets of the Group's subsidiaries with an aggregate carrying value of HK\$14,852 million have been charged as security for bank borrowings. Except for the aforementioned charges, all the Group's assets are free from any encumbrances.

## **Contingent Liabilities**

As at 31 December 2025, the Group had contingent liabilities in respect of guarantees for bank borrowings of certain joint ventures and other guarantees in the aggregate amount of HK\$2,335 million (30 June 2025: HK\$1,955 million).

## **EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES OF THE GROUP**

As at 31 December 2025, the Group employed more than 38,000 employees. The related employees' costs before reimbursements for the six months ended 31 December 2025 amounted to approximately HK\$7,471 million. Compensation for the Group is made with reference to the market as well as individual performance and contributions. Extensive use of bonuses to link performance with reward is adopted. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to individual needs. Share option and share award schemes have also been adopted by certain subsidiaries of the Company to provide appropriate long-term incentive to the key staff of the Group.

## **BASIS OF DETERMINING EMOLUMENT TO DIRECTORS**

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

## **INTERIM DIVIDEND**

The Board of Directors of the Company (the "Board") has declared an interim dividend of HK\$0.98 per share (2024: HK\$0.95 per share) for the six months ended 31 December 2025 to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Friday, 13 March 2026. The interim dividend will be payable in cash on Thursday, 19 March 2026. Shares of the Company will be traded ex-dividend as from Wednesday, 11 March 2026.

## **CLOSURE OF REGISTER OF MEMBERS**

The record date for ascertaining Shareholders' entitlement to the interim dividend will be Friday, 13 March 2026, during which the register of members of the Company will be closed and no transfer of shares will be registered. In order to establish entitlements to the interim dividend, Shareholders must lodge all transfer documents accompanied by the relevant share certificates for registration with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 12 March 2026.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the six months ended 31 December 2025.

## **REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim results for the six months ended 31 December 2025 are unaudited, but have been reviewed 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 by Messrs. Deloitte Touche Tohmatsu, whose report on review of condensed consolidated financial statements will be set out in the 2025/26 interim report. The interim results have also been reviewed by the Audit and Risk Management Committee of the Company.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

During the six months ended 31 December 2025, the Company has complied with the code provisions (the “Code Provisions”) of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except that there is no separation of the roles of chairman and chief executive as required under Code Provision C.2.1. However, the powers and authorities have not been concentrated as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as top management. In addition, there are two Non-Executive Directors and seven Independent Non-Executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place.

## **INTERIM REPORT**

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

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

Hong Kong, 26 February 2026

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