

To: Business/ Property Editors

Date: 19 May 2022
For immediate release

CHAIRMAN'S REMARKS

The fifth-wave of Covid significantly impacted Hong Kong's businesses in the first months of 2022. Hysan's core Causeway Bay portfolio was not spared, with many tenants' operations severely disrupted.

Hysan's strong partnerships with our tenants again shone through during the difficult period. Hysan worked swiftly with our business partners to find mutually sustainable solutions. We again provided dynamic and multi-faceted relief ranging from rental assistance to operational support.

We believe we have navigated through the worst. With the Covid case numbers declining and the gradual relaxation of government regulations, we are seeing a more vibrant Lee Gardens, returning on weekdays and weekends and on extended hours. We will continue to work closely with our partners to make Lee Gardens a most attractive destination for business and leisure.

At our results announcement earlier this year, I spoke extensively about our Core and Pillars strategy and how we will continue to curate and expand our core Lee Gardens, while also investing in growth pillars for a Hysan of the future.

We have made progress since our last update. In May, the Caroline Hill Road site received approval for its Layout Plan from the Town Planning Board. We plan to start on foundation work in the third quarter of 2022. The project is currently on track for its planned 2026/27 completion.

While we continue to reinforce our Core, our Pillars will provide growth and diversity to our business.

Villa Lucca, our Tai Po luxury residential project, is named after Lucca, a charming city in Tuscany. The name reflects the beautiful location and the unique lifestyle the development will deliver. We expect to launch our sales programme before the end of the second quarter of this year. The highest quality of design and facilities will attract discerning buyers. Villa Lucca's proximity to the Greater Bay Area across the border, as well as Hong Kong's forthcoming Northern Metropolis development will bring much value appreciation potential to the property.

Our participation in the Urban Renewal Authority's To Kwa Wan project, delivering more than 1000 units, provides an opportunity for Hysan to benefit from a more regular schedule of residential development and sales. For this project, we will export our expertise in area curation, aiming to revitalise a traditional and densely populated area with new ideas, business activities and energy.

For Lee Gardens Shanghai, our aim is to curate, develop and grow a next-generation community-centric precinct in the heart of Jing'an district. We will use our experience curating Hong Kong's Lee Gardens to cultivate an ecosystem that can blend the traditional with the now, in an authentic and dynamic way, capturing the imagination and support of a wide audience in Jing'an and beyond.

Our other pillars include the Greater Bay Area Flex workspace joint venture with the world-leading workspace provider, IWG. Since our last report in February, this business has grown from 33 to 36 centres in 5 cities. Flex workspace has been fully tested during two years of work-from-home imposed during Covid. With technology, structural changes of office functions, occupants' expectation and behaviour, hybrid mode of work will stay. Our portfolio remains healthy with strong occupancy rates and a continuing diversification of tenant profile.

Finally, our investment in the New Frontier Group in the premium healthcare sector is another good example of investing with a mature and experienced partner. This is an accretive investment and delivers a strategic exposure in a key growth sector.

At Lee Gardens, we continue our sustainability efforts, focusing on the "social" aspect of ESG, helping the community during Hong Kong's fifth wave of Covid.

In February, we set up the first Satellite Community Vaccination Centre within a private property portfolio at Leighton Centre. It has proven to be so popular that we expanded the Centre to two floors in March.

In response to the surging demand for vaccination, we moved quickly with our partners to build a temporary vaccination centre at the soon-to-be developed Caroline Hill Road site. Now completed, it allows more than 10 thousand people to be vaccinated each week. We also donated hundreds of medical-grade air purifiers to small businesses, centres for the elderly and NGO offices for frontline workers, and provided food and other care packages to areas with large elderly populations.

We believe in innovation. Attracting and supporting Hong Kong talent will underpin the future of Hong Kong. To that end, Hysan joined forces with Hong Kong Science and Technology Parks (HKSTP) to launch "The Community Lab", where new technology ventures can test and commercialise their innovations in a real-world environment. We will also help start-ups to develop business plans and provide advice to increase their potential for long-term success.

We look forward to more positive news about Hysan's business and sustainability efforts in the months ahead.



DEVELOPMENT COMPAN 希慎興業有限公司

2022 ANNUAL GENERAL MEETING
2022年股東周年大會



Hysan Development's Chairman Ms. Irene Lee



Hysan Development's Chairman Ms. Irene Lee (middle),
Executive Director and Chief Operating Officer Mr. Ricky Lui (on the left) and
Chief Financial Officer and Company Secretary Mr. Roger Hao (on the right)
at the 2022 Annual General Meeting.

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About Hysan

Hysan Development Company Limited is a leading property investment, management and development company in Hong Kong with an investment property portfolio of over 4 million square feet of high-quality office, retail and residential space. With roots in the district since the 1920s, Hysan is one of the largest commercial landlords in Causeway Bay.

For enquiries, please contact:

Mark Tung

General Manger

Corporate Communications

Hysan Development Company Limited

Tel: (852) 2895 5777

E-mail: mark.tung@hysan.com.hk