

To: Business/Property Editors

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For immediate release

HYSAN DEVELOPMENT COMPANY LIMITED 2025 ANNUAL RESULTS

SUMMARY

- Turnover increased 1.6% year-on-year, while Recurring Underlying Profit declined 1.9% year-on-year. Underlying Profit rose 28.3%, driven by fair value gains on disposed Bamboo Grove units.
- Retail turnover grew 2.6%. New and expanded luxury flagships underpin positive rental reversion. Tenant sales posted double-digit year-on-year growth during the second half of 2025.
- Office turnover remained stable. Amid continuing challenges faced by the Hong Kong office rental market, our Hong Kong office portfolio saw improved occupancy from 90% to 94%, alleviating negative rental reversions.
- Hong Kong's residential market recorded a solid rebound in 2025, benefiting the Group with stronger leasing and sales momentum during the year.
- The Lee Gardens connectivity project and Lee Garden Eight development are progressing on schedule, with the fully transformed Lee Gardens set to be unveiled in the second half of 2026.
- Launched HK\$8 billion five-year capital recycling programme to strengthen financial position and enhance long-term value; 26% achieved with HK\$2.1 billion collected in 2025.
- The Group maintained its second interim dividend of HK81 cents per share.

RESULTS

| | | Notes | Year ended 31 December | | |
|-------------------------------|--------------|-------|------------------------|--------|--------|
| | | | 2025 | 2024 | Change |
| Turnover | HK\$ million | 1 | 3,464 | 3,409 | +1.6% |
| Recurring Underlying Profit | HK\$ million | 2 | 1,918 | 1,956 | -1.9% |
| Underlying Profit | HK\$ million | 3 | 2,510 | 1,956 | +28.3% |
| Reported Profit | HK\$ million | 4 | 315 | 35 | n/m |
| | | | | | |
| Basic Earnings per Share | HK cent | | 31 | 3 | n/m |
| Full-year Dividends per Share | HK cent | | 108 | 108 | - |
| | | | | | |
| | | | As at 31 December | | |
| | | | 2025 | 2024 | |
| Shareholders' Funds | HK\$ million | 5 | 65,456 | 65,993 | -0.8% |
| Net Asset Value per Share | HK\$ | 6 | 63.7 | 64.3 | -0.9% |

n/m: not meaningful

Notes:

- Turnover** comprises gross rental income from leasing of investment properties located in Hong Kong and Mainland and management fee income from the provision of property management services for the year.
- Recurring Underlying Profit**, a non-HKFRS Accounting Standards measure, is a performance indicator of the core property investment business of Hysan Development Company Limited (the "Company" or "Hysan") and its subsidiaries (the "Group") and is arrived at by excluding from Underlying Profit items that are non-recurring in nature.
- Underlying Profit**, a non-HKFRS Accounting Standards measure, is arrived at by adding (i) Reported Profit excluding unrealised fair value change of investment properties and items not generated from the Group's core property investment business; and (ii) Profit attributable to holders of perpetual capital securities.
- Reported Profit** is the profit attributable to owners of the Company. It is prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance.
- Shareholders' Funds** are the equity attributable to owners of the Company.
- Net Asset Value per Share** represents Shareholders' Funds divided by the number of issued shares at year-end.

HYSAN DEVELOPMENT 2025 ANNUAL RESULTS

Results

(Hong Kong, 26 February 2026) **Hysan Development Company Limited** ("Hysan" or the "Group", Hong Kong stock code: 00014) today announced its financial results for the year ended 31 December 2025.

Turnover grew by 1.6% year-on-year, supported by solid performance across core business segments. In Hong Kong, our retail portfolio achieved strong growth in traffic and tenant sales, outperforming the overall Hong Kong market. New and expanded luxury flagships, together with a diverse selection of exciting, curated tenants, continue to enhance rental income. Overall retail rental reversion stayed positive and occupancy improved from 92% to 95%. Office occupancy rose from 90% to 94%, helping to alleviate the impact of negative rental reversions. The strong ramp-up of Lee Gardens Shanghai and the continued occupancy improvement at Bamboo Grove since last year further contributed to overall revenue growth during the year.

Underlying Profit increased by 28.3% year-on-year, mainly due to the gain on the sale of residential units in two blocks at Bamboo Grove. Recurring Underlying Profit decreased by 1.9%, reflecting increased interest cost and loan drawdowns related to asset enhancement projects.

Shareholders' fund was HK\$65,456 million as at 31 December 2025 (2024: HK\$65,993 million).

As at 31 December 2025, the Group's investment properties portfolio was valued at HK\$96,157 million, a decrease of 0.4% from the HK\$96,547 million recorded as at 31 December 2024.

Dividends

The Board of Directors has declared a second interim dividend of HK81 cents per share (2024: HK81 cents per share) which will be payable in cash. Please see the table for all the relevant dates:

| | |
|---|---|
| Closure of register of members | Friday, 13 March 2026 |
| Ex-dividend date | Wednesday, 11 March 2026 |
| Latest time to lodge transfer documents | Not later than 4pm on Thursday, 12 March 2026 |
| Record date for second interim | Friday, 13 March 2026 |
| Second interim dividend payment date | On or about Friday, 27 March 2026 |

CHAIRMAN'S STATEMENT BY MS. IRENE YUN LIEN LEE

2025 was a pivotal year of progress and transformation for Hysan – one that tested our adaptability in the face of uncertainty while highlighting the dedication of our team and the enduring strength of our Community Business Model. Our achievement this year is not measured solely by our financial performance, but also by the spirit of innovation, collaboration and excellence that defines both Hysan and the Lee Gardens community.

Building on a Century of Vision

Hysan's journey is rooted in a legacy that spans more than a century, distinguished by our enduring values and steadfast commitment to the community. From our founding in the early 20th century to our present-day transformation of the Lee Gardens precinct, we have continuously evolved to meet the needs of a dynamically changing city. Our guiding principles of hard work, humility, harmony and a deep sense of duty remain integral to our culture and strategic direction.

Today, as we adapt to generational shifts and societal changes, we continue to focus on creating a community that promotes connection, inclusivity and sustainable economy, generating long-term value for all our stakeholders and the city.

Navigating a Dynamically Changing Landscape

Hong Kong's economic environment in 2025 was marked by both opportunity and complexity. The economic and financial uncertainties caused by geopolitical and global trade tensions, the rigorous change in local and tourist consumption patterns, the competition from both Asia Pacific and Mainland China's major cities, and the persistently weak office rental market presented challenges for the commercial office and retail sectors.

Against this backdrop, to maintain our business momentum and Lee Gardens' competitiveness, we have deepened our engagement with stakeholders, enhanced our environment and offerings, and leveraged our unique portfolio to retain our tenants and customers and capture emerging demand. Our disciplined approach – focused on effective and efficient execution, strong time and cost control, and prudent risk management – enabled us to outpace the market in key business areas, reinforce our leadership position and deliver solid results.

Lee Gardens Rejuvenation: Realising our Vision

Our journey of transformation continued to bear fruit. Our strategy for Lee Gardens rejuvenation was proven timely as financial contributions have been materialising. This stands as a testament to our forward-looking vision and the continuation of our century-old legacy.

We have now entered an important and large-scale harvest phase spanning our Lee Gardens hub, with the renovated and expanded flagship maisons of luxury brands such as Hermès, Dior, Cartier, Chanel, Tiffany and Louis Vuitton. The reopening of these expanded stores with new in-store experiences, coupled with new brands introduced to Hysan Place and across the Lee Gardens precinct, further cemented Lee Gardens' reputation as the city's must-visit place for all.

Lee Garden Eight: A Masterpiece of Sustainable Development

In the fourth quarter of 2025, we celebrated the topping out of our latest milestone, Lee Garden Eight. Slated for completion in the third quarter of 2026, this one-million-square-foot premium commercial development will expand our Lee Gardens leasable portfolio by approximately 30%. Alongside the new district court building, the area will see tens of thousands more people coming to work daily, which could boost retail traffic in the Lee Gardens precinct by over 20%. The true significance of this milestone, however, goes beyond its size.

Designed as a model for the next-generation business community in partnership with the world-renowned architectural firm, Foster + Partners, Lee Garden Eight sets new benchmarks for building quality, sustainability, and connectivity. Among these are its advanced green features, a 60,000-squarefoot Lifestyle Park, and dedicated spaces for the performing arts and cultural experiences. More than 600 parking spaces at Lee Garden Eight, all equipped with electric charging provision, will further reinforce Lee Gardens as a commercial destination and even extend its appeal to travellers from the Greater Bay Area. As an extension of the inclusive Lee Gardens community, Lee Garden Eight is welcoming, walkable and filled with business, shopping and recreational opportunities for all.

Integrated Pedestrian Walkway System: A New Era of Connectivity

The integrated pedestrian walkway system, scheduled for completion in tandem with Lee Garden Eight, will seamlessly connect the Lee Gardens precinct to the Causeway Bay MTR station, making the neighbourhood pedestrian-friendly in all weather conditions.

The elevated walkway will add a second “street level” connecting and extending the retail space to customers and commuters, thereby creating a vibrant, human-centric walkable neighbourhood that integrates work, leisure and community life.

Strategic Pillars: Support for Business and Geographic Diversification

Our strategic pillars contribute to both business and geographic diversification. At Lee Gardens Shanghai, we created a high-quality tenant mix of reputable financial institutions, multinational corporations and retailers, supported by a lifestyle high street podium that creates a rich business social scene. Lee Gardens Shanghai is an extension of the Lee Gardens brand into mainland China.

We were encouraged by the performance of our flex office business in our joint venture with the world’s leading flex operator, IWG, which continued to grow across the Greater Bay Area. Along with the growth momentum of New Frontier Group, our healthcare investment, we are making steady progress scaling up our business across regions and sectors.

Retail Portfolio: Curating Experiences, Driving Footfall

Our retail portfolio continued to flourish in 2025 with more than 10% growth in foot traffic and tenant sales since the second quarter, leading retail sales recovery in Hong Kong market, contributed by the improved local sentiment and the increased Mainland China and international visitor arrivals. Our continuous content curation with a unique and authentic brand mix and experiences engages and resonates with different generations.

A significant achievement during the year was our introduction of over 50 new brands to the Lee Gardens precinct, which complements our existing portfolio and caters to a wider range of consumer preferences. With an even greater variety of world-renowned brands and innovative lifestyle concepts, the Lee Gardens precinct has further strengthened its destination appeal for locals and visitors.

In the latest phase of its revitalisation, Hysan Place introduced new retail and F&B offerings, along with exciting pop-ups and events that appealed to the younger generation and global audiences. This curated approach to our tenant mix and experiential engagement continues to drive robust growth in footfall and tenant sales, reinforcing Hysan Place's reputation as a trendsetting destination in Hong Kong.

Office Portfolio: Strengthening Workplace Value and Flexibility

As a testament to its resilience and appeal, our office portfolio occupancy rate improved by 4% during the year, due mainly to the prime location, premium specifications, and comprehensive amenities of our properties.

Our long-term partnership with the world's leading flex operator, IWG, has addressed structural shifts in the office sector and captured the demand for flexible working spaces in cities across the Greater Bay Area, forming a sustainable office ecosystem in Lee Gardens. We are confident that our expanding network will continue to fuel our growth in an asset-light way.

Embracing Tomorrow: Charting New Horizons

Looking ahead, 2026 will present its own set of challenges, yet we are battle-proven and ready. We are confident in our ability to navigate changes and seize opportunities, and that our shared expertise and spirit will carry us forward. Our rich heritage and commitment to bringing unique experience, innovation and sustainability to the community will position us well for continued growth.

As always, we adhere to our prudent financial management. Our capital recycling programme, which enables us to unlock value from mature residential assets and redeploy capital towards our strategic priorities, puts us in a strong position to optimise our capital structure through deleveraging. We have made good progress towards the HK\$8 billion capital recycling target with 26% achieved during the year riding on the improving market sentiment in the luxury residential sector. While carrying out this programme, we will remain agile, disciplined and purpose-driven to shape the future of Lee Gardens and contribute to Hong Kong's ongoing development as a global city.

On behalf of the Board, I would like to extend my heartfelt appreciation to our staff for their dedication, resilience and contribution to the development of our community. Their expertise and hard work have been the driving force behind our achievements and continued growth. Together, we look forward to embracing new opportunities and scaling new heights in the years ahead.