

**SET TO THRIVE**  
*Charting New Heights*

ANNUAL REPORT 2025



**We are committed to the long term. As we continue our journey, the expansion and rejuvenation of Lee Gardens, supported by our community business model, will transform this precinct for our next 100 years.**



## CONTENTS

We welcome stakeholders' feedback on this Report. Please share your thoughts at [hysan@hysan.com.hk](mailto:hysan@hysan.com.hk)

In an effort to reduce consumption of resources due to printing and distributing hard copies, the Hysan Sustainability Report has been prepared for electronic distribution and is available for public viewing on Hysan Development's website ([www.hysan.com.hk](http://www.hysan.com.hk)).

A summary of Sustainability Report 2025 is provided on pages 146 to 150 of this Annual Report.



Scan QR code to read the Sustainability Report 2025

|          |                             |          |                 |          |                             |          |                             |          |  |
|----------|-----------------------------|----------|-----------------|----------|-----------------------------|----------|-----------------------------|----------|--|
| <b>C</b> | <b>Chairman's Statement</b> | <b>1</b> | <b>Overview</b> | <b>2</b> | <b>Business Performance</b> | <b>3</b> | <b>Corporate Governance</b> | <b>4</b> | <b>Financial Statements, Valuation and Other Information</b> |
|          | Page 2                      |          | Page 12         |          | Page 22                     |          | Page 38                     |          | Page 160   |

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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.



## Chairman's Statement

### 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 Chinese Mainland'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-square-foot 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 Chinese Mainland.

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 Chinese Mainland 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.

**Lee Irene Yun-Lien**

*Chairman*

Hong Kong, 26 February 2026

## Balanced Dual-Engine Portfolio

Our dual-engine office and retail portfolio, combined with our community business model, provide resilience and strength in the face of uncertainty.

# RETAIL

Connect people and curate communities through

**DIVERSE OFFERINGS**



# OFFICE

Premium office space and vibrant community attract

**A DIVERSITY OF OFFICE TENANTS**



The blend of offerings creates an array of lifestyle experiences for tenants, shoppers, tourists and residents.

# Expansion and Rejuvenation of Lee Gardens



## Trendsetter

Hysan Place acts as the gateway to the rest of the Lee Gardens core portfolio. It has been, and will remain, the trendsetter in our portfolio, with a high level of urban vibrancy that starts with its MTR-connected basement levels.

## Home of Luxury Flagships

We began to unveil our new Lee Gardens in 2024, welcoming more than 10 newly renovated and expanded flagship maisons following the commencement of Lee Gardens rejuvenation three years ago. More flagships and new concepts will be showcased throughout our portfolio in the year ahead, reinforcing Lee Gardens' prestige as the city's home of luxury.



## Enhanced Walkability

Hysan will put in place a new integrated pedestrian walkway system throughout our Lee Gardens buildings, as well as linking Causeway Bay MTR station through to Lee Garden Eight. Upon completion, it will create seamless working, shopping, dining and leisure experience with a pleasant journey for office occupants and shoppers.



Artist's impression for illustrative purposes only



## The Green Centric

Slated for completion in 2026, Lee Garden Eight will become the heart of our green-centric area, setting new standards for building quality, sustainability, and connectivity.



Artist's impression for illustrative purposes only

## Strategic Pillars

### Pillars

We invest in strategic growth pillars that drive geographic diversification and target business opportunities that complement and reinforce our core business.



#### Lee Gardens Shanghai

We achieved strong ramp-up, securing commitments for 81% of its office space by quality tenants. The complex has been delivering a new stream of recurring earnings since 2024.



#### VILLA LUCCA

Over 60% of houses and apartments have been contracted as at year end 2025.

#### To Kwa Wan Residential

Hysan's skillsets are being leveraged in the design and operations of the retail portion of the project.



Artist's impression for illustrative purposes only

#### GBA Flex

Solution in new office ecosystem, achieving steady growth and maintaining high occupancy in the Greater Bay Area.



#### New Frontier Investment

Our healthcare investment maintained its growth momentum with business expansion.

# 1

## Overview

- 14** Key Facts
- 18** 2025 Performance at a Glance
- 20** Financial Review Summary

# Key Facts

## Our Portfolio

Hysan's investment portfolio is set predominantly in Lee Gardens, a unique part of Hong Kong's renowned commercial heart in Causeway Bay.

Within our approximately 5.3 million square feet of retail, office and residential tenant space, we strive to become partners with our tenants and create a sustainable ecosystem. Our medium-to-long term strategy involves the continued refinement and expansion of our "Core" in Lee Gardens, as well as investment in growth "Pillars" which will deliver a more balanced and diversified portfolio for Hysan.



## VISION

To be the premier property company in its market of choice.

## MISSION

Provide our stakeholders with sustainable and outstanding returns from a property portfolio that is strategically planned and managed by passionate, responsible and forward-looking professionals.

## VALUES

L E E G A R D E N S  
 E X M O C E R N E U  
 A C P O C S I T T S  
 D E O D O P V R W T  
 E L W U E I E O A  
 R L E C N C N P R I  
 S E R I T T G R K N  
 H N M T A / E I A  
 I C E I B D N B  
 P E N Z I R E G I  
 T E L I U L  
 N I V R I T Y  
 S T E S T Y  
 H Y N H Y  
 P P I P

## OUR STRATEGY



## Key Facts

## Our Properties Portfolio

### HYSAN PLACE OFFICE AND RETAIL

**Greenest commercial building and trendiest shopping centre in town**

Completed in 2012 | Lower zone renovated in 2024

| Approx. Gross Floor Area      | Number of Floors | Parking Spaces |
|-------------------------------|------------------|----------------|
| <b>716,000 ft<sup>2</sup></b> | <b>40</b>        | <b>66</b>      |

### LEE THEATRE PLAZA RETAIL ONLY

**One of Hong Kong's best-loved shopping and dining complexes**

Completed in 1994 | Lower zone renovated in 2013

| Approx. Gross Floor Area      | Number of Floors |
|-------------------------------|------------------|
| <b>314,000 ft<sup>2</sup></b> | <b>26</b>        |

### LEIGHTON CENTRE OFFICE AND RETAIL

**Popular office complex amongst sports and lifestyle shops**

Completed in 1977 | Renovated in 2011

| Approx. Gross Floor Area      | Number of Floors | Parking Spaces |
|-------------------------------|------------------|----------------|
| <b>430,000 ft<sup>2</sup></b> | <b>28</b>        | <b>321</b>     |

### ONE HYSAN AVENUE OFFICE AND RETAIL

**Efficient office and retail complex in prime site**

Completed in 1976 | Renovated in 2011

| Approx. Gross Floor Area      | Number of Floors |
|-------------------------------|------------------|
| <b>169,000 ft<sup>2</sup></b> | <b>26</b>        |

### SHANGHAI

#### LEE GARDENS SHANGHAI

OFFICE AND RETAIL

**Grade A commercial complex in one of the world's most vibrant cities**

Acquisition completed in 2022 | Enhancement work for retail podium completed in 2024

| Approx. Gross Floor Area      | Number of Floors | Parking Spaces |
|-------------------------------|------------------|----------------|
| <b>931,000 ft<sup>2</sup></b> | <b>27</b>        | <b>375</b>     |



### LEE GARDEN ONE OFFICE AND RETAIL

**Home to international corporations and premium brands**

Completed in 1997 | Retail podium renovated in 2024

| Approx. Gross Floor Area      | Number of Floors | Parking Spaces |
|-------------------------------|------------------|----------------|
| <b>902,000 ft<sup>2</sup></b> | <b>53</b>        | <b>200</b>     |

### LEE GARDEN THREE OFFICE AND RETAIL

**A vibrant mix of luxury and lifestyle concepts**

Completed in 2017

| Approx. Gross Floor Area      | Number of Floors | Parking Spaces |
|-------------------------------|------------------|----------------|
| <b>467,000 ft<sup>2</sup></b> | <b>32</b>        | <b>201</b>     |

### LEE GARDEN TWO OFFICE AND RETAIL

**Spacious offices and home to children's concept floors**

Completed in 1992 | Retail podium renovated in 2019

| Approx. Gross Floor Area      | Number of Floors | Parking Spaces |
|-------------------------------|------------------|----------------|
| <b>622,000 ft<sup>2</sup></b> | <b>34</b>        | <b>167</b>     |

### LEE GARDEN FIVE OFFICE AND RETAIL

**An office and retail complex in one of Hong Kong's most prestigious commercial areas**

Completed in 1989 | Renovated in 2024

| Approx. Gross Floor Area      | Number of Floors |
|-------------------------------|------------------|
| <b>138,000 ft<sup>2</sup></b> | <b>25</b>        |

### LEE GARDEN SIX OFFICE AND RETAIL

**Convenient office and retail location**

Completed in 1988 | Renovated in 2004

| Approx. Gross Floor Area     | Number of Floors |
|------------------------------|------------------|
| <b>80,000 ft<sup>2</sup></b> | <b>24</b>        |

### LEE GARDEN EIGHT OFFICE AND RETAIL

**Premium commercial development which will set a new benchmark for sustainability**

Target for completion in 2026

| Approx. Gross Floor Area        | Number of Floors                                   | Parking Spaces |
|---------------------------------|--|----------------|
| <b>1,098,000 ft<sup>2</sup></b> | <b>Tower 1: 30<br/>Tower 2: 30<br/>Tower 3: 21</b> | <b>612</b>     |

### BAMBOO GROVE RESIDENTIAL

**Quality international living in Mid-Levels**

Completed in 1985 | Renovated in 2019

| Approx. Gross Floor Area      | Number of Units | Parking Spaces |
|-------------------------------|-----------------|----------------|
| <b>585,000 ft<sup>2</sup></b> | <b>291</b>      | <b>411</b>     |



# 2025 Performance at a Glance

## Awards and Achievements

### The Hong Kong Institute of Certified Public Accountants' Best Corporate Governance and ESG Awards 2025

- Gold Award – Most Sustainable Organisations Awards (Medium and Small Market Capitalisation Category)

### Hubexo Asia Awards 2025

- Top Ten Developers in Hong Kong

### The Hong Kong Management Association's Sustainability Award 2025

- Distinction Award (Large Organisation)

### The Hong Kong Management Association's Best Annual Reports Awards 2025

- Excellence Report Award
- Excellence Award in Environmental, Social and Governance Reporting

### Mercomm, Inc.'s 2025 International ARC Awards

- Silver – Traditional Annual Report: Real Estate Development/ SVC: Various & Multi-Use
- Honors – Specialised A.R.: Sustainability Report: Hong Kong SAR

### Hong Kong Investor Relations Association's 11th Investor Relations Awards 2025

- Best IR Company (Mid Cap)
- Best Annual Report (Mid Cap)
- Best ESG (E) (Mid Cap)
- Best ESG (S) (Mid Cap)
- Best ESG (G) (Mid Cap)

### Improved to "5-star" Rating in 2025



Constituent Member of Hang Seng Corporate Sustainability Index Series



### "Low Risk" in Sustainability ESG Risk Rating



### Hong Kong Green Building Council's Green Building Award 2025

- Grand Award – New Buildings Category (Projects Under Construction and/or Design – Commercial) (Lee Garden Eight)

### MIPIM Asia Awards 2025

- Silver – Best New Development (Lee Garden Eight)

### Asia Pacific Property Awards 2025–2026

- Best Mixed-Use Development (Hong Kong) (Lee Garden Eight)
- Best Sustainable Commercial Development (Hong Kong) (Lee Garden Eight)

### Construction Industry Council's MiC/MiMEP Achievement Award 2025

- Outstanding MiMEP Project (Design) (Lee Garden Eight)

### Hong Kong Chapter of buildingSMART International's buildingSMART openBIM Awards 2025

- Winner in the Category of Sustainability (Lee Garden Eight)

### Autodesk Hong Kong BIM Awards 2025

- Top 5 BIM Awards (Lee Garden Eight)

### FinanceAsia Achievement Awards 2025

- Best Bond Deal – APAC & Hong Kong SAR

### CorporateTreasurer Awards 2025

- Best Strategies & Initiatives – Most Innovative Treasury Initiative

### Improved to "AA" Rating since 2024



Constituent Member of the FTSE4Good Index Series

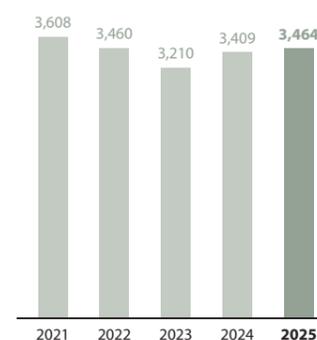


## Financial Performance

### Turnover

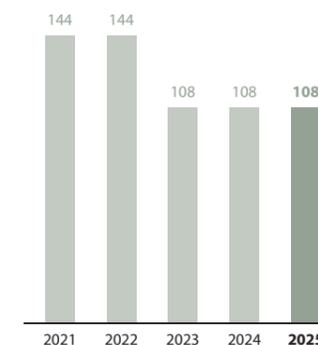
HK \$3,464m

↑1.6%



### Dividends per Share

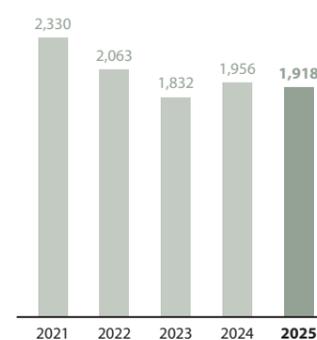
HK 108 cents



### Recurring Underlying Profit

HK \$1,918m

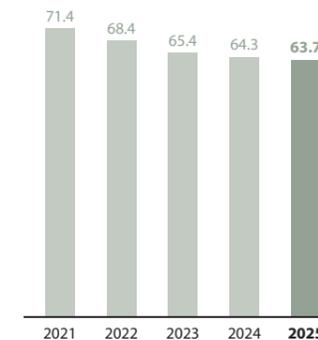
↓1.9%



### Net Asset Value per Share

HK \$63.7

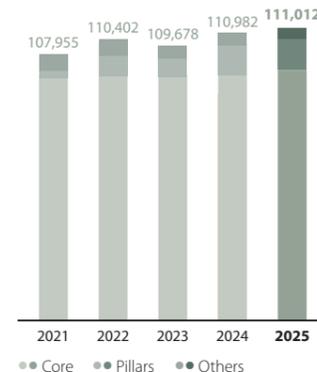
↓0.9%



### Total asset (exclude cash and debt securities)

HK \$111,012m

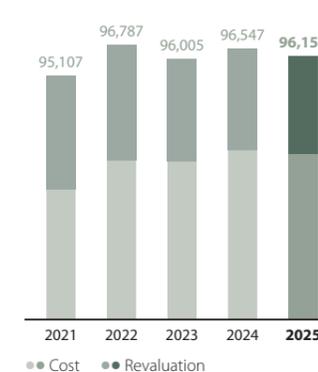
↑0.03%



### Property Value

HK \$96,157m

↓0.4%



### Undrawn Committed Facilities and Cash

HK\$14,333m

(2024: HK\$18,900m)

### Net Debt to Equity (Note 1)

32.4%

(2024: 31.4%)

### Net Interest Coverage (After Interest Capitalisation) (Note 2)

6.3 times

(2024: 8.8 times)

### Net Interest Coverage (Before Interest Capitalisation) (Note 3)

2.3 times

(2024: 2.3 times)

### Effective Interest Rate

3.7%

(2024: 4.3%)

### Average Debt Maturity

2.8 years

(2024: 3.4 years)

### Fixed Rate Debt

54%

(2024: 61%)

### Credit Ratings

Moody's: Baa2 (Note 4)

Fitch: BBB (Note 4)

### Notes:

1. Net Debt to Equity is defined as "borrowings less time deposits, cash and cash equivalents divided by total equity"
2. Net Interest Coverage (after interest capitalisation) is defined as: "Gross profit less administrative expenses before depreciation" divided by "net interest expenses charged to profit or loss"
3. Net Interest Coverage (before interest capitalisation) is defined as: "Gross profit less administrative expenses before depreciation" divided by "net interest expenses charged to profit or loss plus interest expenses capitalised"
4. Both Moody's and Fitch assigned stable outlook to the Group

# Financial Review Summary

## 1. Turnover

| HK\$ million                     | 2025  | 2024  | Change |
|----------------------------------|-------|-------|--------|
| Retail                           | 1,704 | 1,678 | 1.5%   |
| Office                           | 1,407 | 1,440 | -2.3%  |
| Residential                      | 229   | 218   | 5.0%   |
| Lee Gardens<br>Shanghai ("LGSH") | 124   | 73    | n/m    |
|                                  | 3,464 | 3,409 | 1.6%   |

n/m: not meaningful

**Retail:** Hong Kong's retail sector remained under pressure from the ongoing trend in cross-border shopping and cautious tourist spending. During the year, we elevated our retail portfolio with expanded flagship maisons of the luxury brands to offer more distinctive customer experiences and worked closely with anchor tenants to strengthen our position as a premier retail destination. We also diversified our retail mix and welcomed new brands with a series of pop-up stores and engaging events to cater for a wider range of consumer preferences and lifestyles within Lee Gardens. Rental reversion rate was predominantly positive in 2025.

**Office:** Hong Kong's office market remained challenging throughout the year, with leasing activity driven by the continued shift in preference towards prime locations and well-equipped office buildings. We responded with flexible rental packages, fit-out support and early renewals, and highlighted our enhanced offerings of fully furnished office space for immediate use and sustainable amenities. Negative rental reversion remained in 2025.

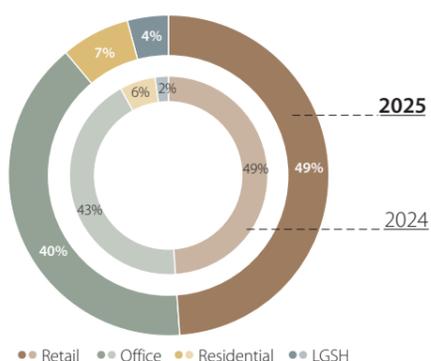
**Residential:** Hong Kong's luxury residential leasing market showed steady growth in 2025, driven by an influx of foreign talent that included expatriates relocated to Hong Kong and new arrivals through various talent admission schemes. The increasing number of executives, professionals and graduates entering Hong Kong are representatives of a wide range of sectors.

**LGSH:** Lee Gardens Shanghai achieved a strong ramp-up in 2025 and is expected to grow steadily. We have been pursuing new tenancies and continuously refining our tenant mix to enhance our portfolio's appeal in the market.

Details of the operating performances of the group's individual operations are set out on pages 26 to 30 of the Review of Operations.

| Occupancy        | 2025 | 2024 |
|------------------|------|------|
| <b>Hong Kong</b> |      |      |
| Retail           | 95%  | 92%  |
| Office           | 94%  | 90%  |
| Residential      | 87%  | 73%  |
| <b>LGSH</b>      |      |      |
| Retail           | 72%  | 41%  |
| Office           | 72%  | 66%  |

## Revenue by sector



## Consolidated Statement of profit or loss for the year ended 31.12.2025

|  | HK\$ million |
|--|--------------|
| ① Turnover   | 3,464        |
| Operating cost   | (995)        |
| Net margin   | 2,469        |
| Investment income  | 151          |
| Other gains and losses   | 2            |
| Finance costs  | (549)        |
| ② Change in fair value of investment properties  | (1,405)      |
| Change in fair value of other financial investments                                      | (87)         |
| ③ Fair value gain on disposed investment properties                                      | 592          |
| ③ Share of results of associates   | 202          |
| ③ Share of results of joint ventures   | (783)        |
| Profit before taxation   | 592          |
| Taxation   | (296)        |
| Profit for the year  | 296          |
| Attributable to perpetual capital securities holders and other non-controlling interests | 19           |
| Profit attributable to owners of the Company   | 315          |

## Recurring Underlying Profit and Underlying Profit attributable to owners of the Company for the year ended 31.12.2025

|   | HK\$ million |
|---|--------------|
| Profit attributable to owners of the Company                  | 315          |
| Change in fair value and other non-operating gains and losses | 2,195        |
| ④ Underlying Profit   | 2,510        |
| Fair value gain on disposed investment properties             | (592)        |
| ④ Recurring Underlying Profit                                 | 1,918        |

## Consolidated Statement of Cash Flows for the year ended 31.12.2025

|   | HK\$ million |
|---|--------------|
| Net margin  | 2,469        |
| Changes in other working capital                                      | 20           |
| Depreciation of property, plant and equipment                         | 42           |
| Cash generated from operations  | 2,531        |
| Net repayment from joint ventures and other financial investments     | 100          |
| Sales proceed and deposit from Bamboo Grove unit sales                | 2,030        |
| Net borrowings  | 1,953        |
| Issuance, repurchase and distribution of perpetual capital securities | (555)        |
| Matured bank deposits and debt securities                             | 1,179        |
| Interest and taxation   | (1,129)      |
| Considerations for share repurchase                                   | (2)          |
| Dividends paid  | (1,210)      |
| Capital expenditure   | (2,633)      |
| Net cash inflow   | 2,264        |
| Time deposits, cash and cash equivalents                              | 2,211        |
| Less: Time deposits maturing more than 3 months                       | (647)        |
| Cash and cash equivalents at 1.1.2025                                 | 1,564        |
| Effect of foreign exchange rate changes                               | 3            |
| Cash and cash equivalents at 31.12.2025*                              | 3,831        |
| *Representing:<br>Time deposits, cash and cash equivalents            | 3,831        |

## Consolidated Statement of Financial Position at 31.12.2025

|  | HK\$ million |
|--|--------------|
| <b>Net Assets</b>                        |              |
| ② Investment properties                  | 96,157       |
| Other long-term investments              | 10,943       |
| Time deposits, cash and cash equivalents | 3,831        |
| Other assets                             | 4,491        |
| Total assets                             | 115,422      |
| Borrowings                               | (28,524)     |
| Taxation                                 | (1,435)      |
| Other liabilities                        | (9,249)      |
|  | 76,214       |
| <b>Capital and reserves</b>              |              |
| Share capital                            | 7,723        |
| Retained Profits                         | 57,935       |
| Other reserves                           | 10,556       |
|  | 76,214       |

## Consolidated Statement of Financial Position at 1.1.2025

|  | HK\$ million |
|--|--------------|
| <b>Net Assets</b>                        |              |
| ② Investment properties                  | 96,547       |
| Other long-term investment               | 11,678       |
| Time deposits, cash and cash equivalents | 2,211        |
| Other assets                             | 3,653        |
| Total assets                             | 114,089      |
| Borrowings                               | (26,514)     |
| Taxation                                 | (1,384)      |
| Other liabilities                        | (8,762)      |
|  | 77,429       |
| <b>Capital and reserves</b>              |              |
| Share capital                            | 7,723        |
| Retained Profits                         | 58,726       |
| Other reserves                           | 10,980       |
|  | 77,429       |

## Consolidated Retained Profits for the year ended 31.12.2025

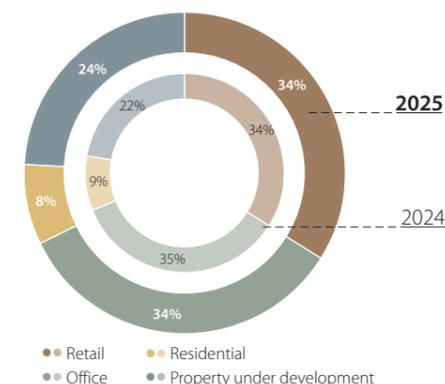
|  | HK\$ million |
|--|--------------|
| Retained profits at 1.1.2025                 | 58,726       |
| Profit attributable to owners of the Company | 315          |
| Dividends paid during the year               | (1,109)      |
| Repurchase of perpetual capital securities   | 3            |
| Retained profits at 31.12.2025               | 57,935       |

## 2. Investment properties

| HK\$ million               | 2025   | 2024   | Change |
|----------------------------|--------|--------|--------|
| Retail                     | 32,667 | 33,094 | -1.3%  |
| Office                     | 33,077 | 34,109 | -3.0%  |
| Residential                | 8,133  | 8,664  | -6.1%  |
| Property under development | 22,280 | 20,680 | 7.7%   |
|                            | 96,157 | 96,547 | -0.4%  |

The valuation of investment properties reported in the consolidated statement of financial position represents the market value at each year-end date, as estimated by Knight Frank Petty Limited, an independent valuer. A fair value loss of HK\$1,405 million (2024: HK\$1,506 million) was recognized in the consolidated statement of profit or loss for the year, mainly attributable to the change in valuation of our office portfolio. This fair value loss is non-cash in nature and does not affect the operating cash flow of the Group.

## Investment properties by portfolio



## 3. Share of results of associates and joint ventures

The Group's investments in associates are primarily represented by its interest in Grand Gateway 66, a retail, office and residential complex in Shanghai, China. The share of results of associates decreased to HK\$202 million in 2025 (2024: HK\$204 million).

The Group's investment in joint ventures comprises interests in residential development projects and the IWG Flex business. The share of losses in joint ventures was HK\$783 million (2024: HK\$287 million), which mainly reflects impairment loss on residential properties held for development and sale.

## 4. Recurring Underlying Profit and Underlying Profit

Recurring Underlying Profit decreased year-on-year by 1.9%. Underlying Profit increased by 28.3% year-on-year. Details of the reconciliation of Recurring Underlying Profit, Underlying Profit and Reported Profit are set out on pages 24 to 25 of the Review of Results.

# 2

## Business Performance

|           |                                      |
|-----------|--------------------------------------|
| <b>24</b> | Management's Discussion and Analysis |
| <b>24</b> | Strategy                             |
| <b>24</b> | Review of Results                    |
| <b>26</b> | Review of Operations                 |
| <b>30</b> | Core Expansion and Strategic Pillars |
| <b>32</b> | Financial Review                     |
| <b>35</b> | Treasury Policy                      |

# Management's Discussion and Analysis

## STRATEGY

Hysan remains focused on curating and growing its asset portfolio, primarily situated in the Lee Gardens precinct of Causeway Bay, one of Hong Kong's prime commercial districts. Complementing our core operations, we invest in strategic growth "pillars" to foster a more balanced and diversified portfolio.

## REVIEW OF RESULTS

| In HK\$ million             | 2025         | 2024  | Change |
|-----------------------------|--------------|-------|--------|
| Turnover                    | <b>3,464</b> | 3,409 | +1.6%  |
| – Retail                    | <b>1,727</b> | 1,684 | +2.6%  |
| – Office                    | <b>1,508</b> | 1,507 | +0.1%  |
| – Residential               | <b>229</b>   | 218   | +5.0%  |
| Recurring Underlying Profit | <b>1,918</b> | 1,956 | -1.9%  |
| Underlying Profit           | <b>2,510</b> | 1,956 | +28.3% |

As at 31 December 2025, Hysan's Hong Kong investment property portfolio comprises three sectors – office, retail, and residential – covering approximately 4.4 million square feet of gross floor area in operation. Office and retail properties in the Lee Gardens precinct account for 55% and 30% of the Group's investment portfolio by gross floor area, respectively. The residential sector, mainly comprising its Bamboo Grove apartments in Hong Kong's Mid-Levels, accounts for the remaining 15%. Lee Garden Eight, scheduled for completion in 2026, will add approximately 1 million square feet of office and retail space to the Lee Gardens precinct.

Hysan's Mainland investment property, Lee Gardens Shanghai – a Grade A commercial complex situated in one of the world's most vibrant cities – has been delivering a new stream of recurring earnings since 2024. Positioned as a refined lifestyle destination, the development features approximately 0.9 million square feet of commercial gross floor area and 375 parking spaces.

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%. During the year, on average approximately 4% of our retail area were closed for the major enhancement works of Lee Gardens rejuvenation project. The corresponding impact has been reflected in our retail turnover. 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.

The board of directors of the Company ("Board") has declared a second interim dividend of HK81 cents per share (2024: HK81 cents) which will be payable in cash.

The reconciliation of Recurring Underlying Profit, Underlying Profit and Reported Profit is as follows:

|   | 2025<br>HK\$ million | 2024<br>HK\$ million |
|---|----------------------|----------------------|
| Reported profit   | 315                  | 35                   |
| Change in fair value of properties                          | 780                  | 1,229                |
| Investment properties                                       | 1,405                | 1,506                |
| Less: Effect of other non-controlling interests             | (654)                | (316)                |
| Share of associates (net of tax)                            | 29                   | 39                   |
| Change in fair value of other financial investments         | 87                   | 19                   |
| Impairment loss of joint ventures                           | 805                  | 258                  |
| Other gains and losses                                      | (2)                  | (3)                  |
| Profit attributable to perpetual capital securities holders | 525                  | 418                  |
| Underlying Profit   | 2,510                | 1,956                |
| Fair value gain on disposed investment properties           | (592)                | –                    |
| Recurring Underlying Profit                                 | 1,918                | 1,956                |

### Key Performance Indicators

The Group's turnover growth and occupancy rates are the key measurements used for the assessment of our leasing business performance. Cost effectiveness is assessed by the Group's management using the gross profit margin ratio (as a percentage of turnover).

| Key Performance Indicators | Definition   | Sector           | Business Performance |       |
|----------------------------|--|------------------|----------------------|-------|
|                            |  |                  | 2025                 | 2024  |
| Turnover Growth            | Rental revenue in current year vs that in last year  | Retail           | +2.6%                | +9.8% |
|                            |  | Office           | +0.1%                | +2.4% |
|                            |  | Residential      | +5.0%                | +6.3% |
| Occupancy Rate             | Percentage of total lettable area leased/total lettable area of each portfolio at year-end | <b>Hong Kong</b> |                      |       |
|                            |  | Retail           | 95%                  | 92%   |
|                            |  | Office           | 94%                  | 90%   |
|                            |  | Residential      | 87%                  | 73%   |
|                            |  | <b>Mainland</b>  |                      |       |
|                            |  | Office           | 72%                  | 66%   |
| Gross profit margin        | Gross profit divided by turnover   |                  | 80.2%                | 81.1% |

# Management's Discussion and Analysis

## REVIEW OF OPERATIONS

### Retail

Turnover of the Group's retail portfolio saw an increase of 2.6% to HK\$1,727 million (2024: HK\$1,684 million).

| In HK\$ million | 2025         | 2024  | Change |
|-----------------|--------------|-------|--------|
| Retail          | <b>1,727</b> | 1,684 | +2.6%  |
| – Hong Kong     | <b>1,704</b> | 1,678 | +1.5%  |
| – Mainland      | <b>23</b>    | 6     | n/m    |

n/m: not meaningful

### Hong Kong Portfolio

Turnover increased by 1.5% to HK\$1,704 million (2024: HK\$1,678 million), including turnover rent of HK\$118 million (2024: HK\$127 million).

As at 31 December 2025, retail occupancy increased to 95% (2024: 92%). Rental reversion rate on renewals, rent reviews and new lettings was predominantly positive during 2025.

During the year, Hong Kong's retail market remained under pressure from the ongoing trend in cross-border shopping and cautious tourist spending. Nevertheless, the market showed signs of stabilisation, supported by a gradual improvement in market momentum. Tourist arrivals grew, especially in the third quarter of the year, due to the HKSAR Government's promotion of mega-events and world-class concerts aimed at attracting international visitors and increasing tourist spending. We expect that the recovery in tourism numbers and improved consumer sentiment will sustain further growth in the retail market in 2026.

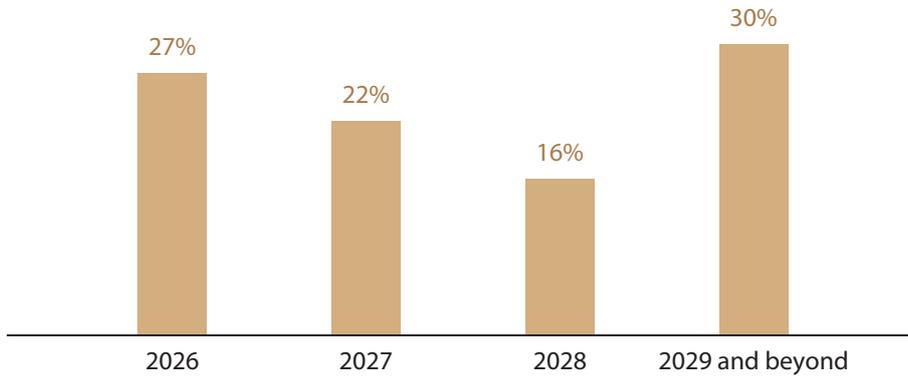
During this encouraging period of market stabilisation, we elevated our retail portfolio with expanded flagship maisons of the luxury brands to offer more distinctive customer experiences. We worked closely with our anchor tenants to create a refreshed, more dynamic retail atmosphere, strengthening Lee Gardens' position as a premier retail destination and enhancing the overall appeal of the precinct. Towards that end, new fine dining restaurants were launched to broaden the culinary options available to visitors.

Another significant addition during the year was the introduction of over 50 new brands to the Lee Gardens precinct that complement our existing portfolio. By diversifying our retail mix, we cater for a wider range of consumer preferences and lifestyles within Lee Gardens. Hysan Place welcomed the new brands with a series of pop-up stores and engaging events, all of which contributed to the vibrant, ever-evolving retail environment of the precinct. This combination of new brands, pop-up stores and curated events reinforced Lee Gardens' reputation as a destination that offers novel and compelling shopping experiences.

Significant progress was also made on Lee Gardens rejuvenation, which is being carried out in phases, as well as construction of Lee Garden Eight and the integrated pedestrian walkway system. These initiatives will elevate the overall shopping experience at Lee Gardens and make the neighbourhood more accessible with heightened engagement and participation by retailers.

Through thoughtfully curated retail options and innovations, Hysan has created a distinctive retail environment that meets the evolving expectations of consumers while providing a dynamic platform on which both established and emerging brands can thrive.

### Retail Lease Expiry Profile by Area Occupied (As at 31 December 2025)



#### Mainland Portfolio

In Chinese Mainland, we have positioned Lee Gardens Shanghai as a business and social hub for the surrounding office precinct. It achieved a retail leasing occupancy of 72% as at 31 December 2025 (2024: 41%).

The retail segment generated rental income of HK\$23 million (2024: HK\$6 million). Despite macro-market challenges from new supply in the area and structural shifts in consumer behaviour, leasing activity at Lee Gardens Shanghai is expected to grow steadily. This will enable us to further diversify our tenant mix, strengthen our resilience and drive sales performance.

#### Marketing Initiatives and Loyalty Programmes

During the year, we aligned our marketing initiatives in Hong Kong with the gradual return of inbound tourism and steady local consumption. To capture renewed consumer demand, we launched a series of thematic high-impact campaigns that reinforced our portfolio's image as "A Place for All". Blending cultural and lifestyle elements that transcend traditional promotions, these immersive experiences helped promote community engagement and increase commercial performance.

Notable headline events included our culturally immersive Chinese New Year street festival and the "hy! Up Your Balance" wellness campaign combining modern fitness concepts with traditional lion dance classes and rooftop martial arts displays. Another noteworthy event was the "hy! Chill Fest", developed in partnership with ComplexCon, an annual global festival of pop culture, featuring an exhibition of limited edition sneakers and pop-up stores.

We further reinforced Hysan Place's position as a trendsetting urban culture hub with our "hy! & Seek" summer campaign, featuring the viral Mamuang cartoon character by Thai comic artist, Wisut Ponnimit. By showcasing the unique character of Hong Kong's culture alongside global trends, these engaging campaigns highlighted our commitment to integrating art and culture into the retail experience.

Other events included collaborations with a variety of tenants. These included the "Celebrate Every Bite" dining campaign promoting authentic global flavours, the "Threads of Beauty" campaign celebrating self-love with a diverse range of cosmetic brands, and the "Shining Moments" campaign aimed at stimulating spending on luxury brands, attracting over 600 high-value customers joining our VIP shopping night.

## Management's Discussion and Analysis

We also collaborated with international celebrities as part of our marketing strategy. They included holding exclusive pop-up events with Korean artist Jisoo and with the sensational drama series, Squid Game. For our year-end Christmas campaign, we transformed Urban Park at Hysan Place into an art carnival, immersing visitors in the artistic universe of Japanese contemporary artist Takashi Murakami. For this event, exclusive merchandise available at Hysan Place and a festive light installation spanning Lee Garden One and Two were featured. Enthusiastically received by the community, these campaigns generate significant increase in visitor numbers and sales, strengthening the image of the Lee Gardens area as a trendsetting hub.

In 2025, we achieved a significant breakthrough in our engagement strategy with valued customers by forming strategic partnerships with banks and wealth management firms. The aim of this collaboration was to attract potential high spenders by targeting premier banking clients and pre-qualifying them for our Club Avenue tiers. As a result of this member acquisition programme, we converted over 1,500 individuals into the Club Avenue programme, directly expanding our high-potential member base and showcasing the effectiveness of our targeted outreach model.

Adhering to our commitment to innovation, we will continue to expand the immersive marketing experiences we create by combining popular new trends and Gen Z-inspired themes with traditional cultural elements. We believe that through authentic storytelling and engagement, we will continue to connect with diverse audiences across generations.

### Office

Turnover of the Group's office portfolio saw an increase of 0.1% to HK\$1,508 million (2024: HK\$1,507 million).

| In HK\$ million | 2025         | 2024  | Change |
|-----------------|--------------|-------|--------|
| Office          | <b>1,508</b> | 1,507 | +0.1%  |
| – Hong Kong     | <b>1,407</b> | 1,440 | -2.3%  |
| – Mainland      | <b>101</b>   | 67    | n/m    |

n/m: not meaningful

### Hong Kong Portfolio

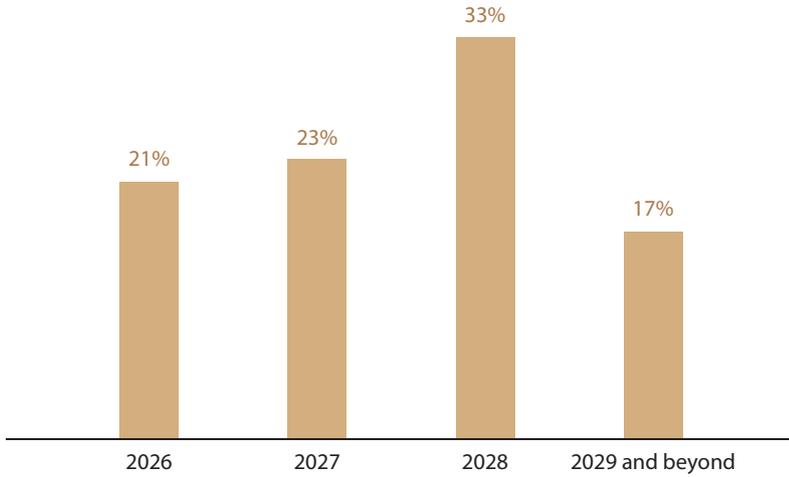
Turnover decreased by 2.3% to HK\$1,407 million, compared with HK\$1,440 million in 2024. This includes a turnover rent of HK\$9 million (2024: HK\$9 million).

Hong Kong's office market remained challenging throughout the year, with leasing activity driven by the continued shift in preference towards prime locations and well-equipped office buildings. We responded with flexible rental packages, fit-out support and early renewals, and highlighted our enhanced offerings of fully furnished office space for immediate use and sustainable amenities.

The average rental reversion rate on renewals, rent reviews and new lettings for Hysan's Lee Gardens portfolio remained negative. Nevertheless, occupancy increased to 94% as at 31 December 2025 (2024: 90%), underscoring the resilience of Hysan's office portfolio amid market headwinds.

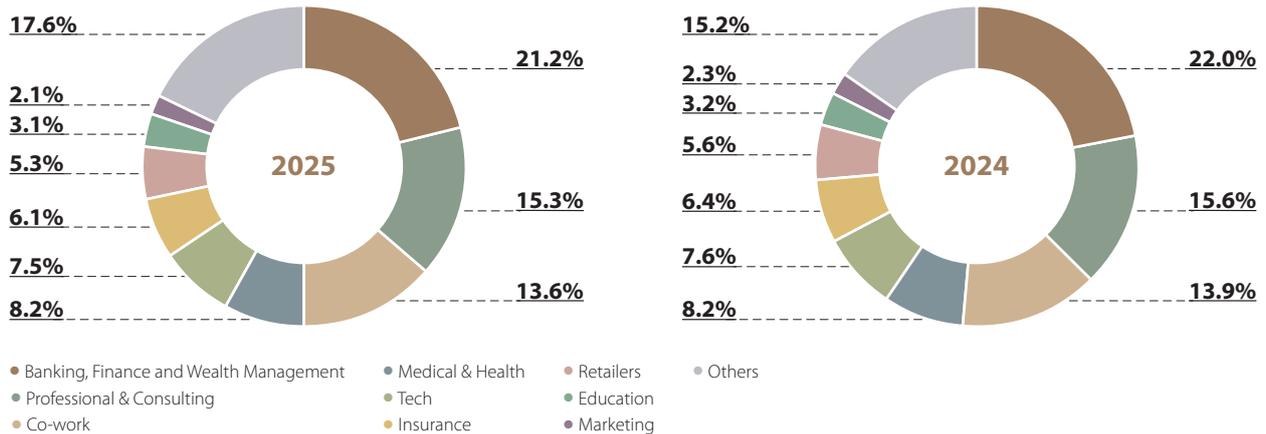
The Lee Garden Eight show suite received positive feedback during the ongoing pre-marketing phase. Featuring expansive floorplates, high efficiency, and advanced sustainability features, this new development is well positioned to attract the interest of institutional and professional tenants.

**Office Lease Expiry Profile by Area Occupied  
(As at 31 December 2025)**



As at the end of 2025, the Banking, Finance and Wealth Management sector continued to occupy the largest share 21.2% (2024: 22.0%) of our tenant portfolio by floor area. The Professional and Consulting sectors and Co-work sector were second and third, respectively.

**Office Tenant Profile by Area Occupied as at Year-end**



Office demand is anticipated to grow as the financial sector recovers and initial public offerings remain active. Boasting Grade A facilities, exceptional retail amenities and professional management services, the Lee Gardens precinct with its prime location has created a compelling, fully-fledged ecosystem. These offerings, combined with our flexible leasing strategies and sector-focused outreach, will help attract and retain quality multinational and local tenants, while supporting Hysan’s long-term growth strategy in the premium office sector.

**Mainland Portfolio**

Lee Gardens Shanghai achieved a strong ramp-up, securing commitments by quality tenants for 81% of its total office space. Turnover of the Mainland’s office portfolio increased to HK\$101 million (2024: HK\$67 million), due primarily to the improvement in occupancy to 72% (2024: 66%). In Chinese Mainland’s competitive office leasing market, we have been pursuing new tenancies and continuously refining our tenant mix to enhance our portfolio’s appeal in the market.

# Management's Discussion and Analysis

## Residential

Hong Kong's luxury residential leasing market showed steady growth in 2025, driven by an influx of foreign talent that included expatriates relocated to Hong Kong and new arrivals through various talent admission schemes. The increasing number of executives, professionals and graduates entering Hong Kong are representatives of a wide range of sectors including but not limited to financial services.

Hysan's residential leasing portfolio turnover saw a 5.0% increase to HK\$229 million (2024: HK\$218 million). Occupancy was 87% as at 31 December 2025 (2024: 73%). The average rental reversion in the sector was positive for renewals, rent reviews and new lettings.

The Group's capital recycling programme currently encompasses the phased disposal of two blocks of Bamboo Grove, which comprises 124 apartments. This was well received due to improved sentiment in the market. As at 31 December 2025, a total of 92 units had been contracted.

## CORE EXPANSION & STRATEGIC PILLARS

### Commercial Property Development – Lee Garden Eight

Superstructure works for Lee Garden Eight, a strategic joint venture with Chinachem Group at Caroline Hill Road, made satisfactory progress during the year with a topping-out ceremony held in November 2025. The project remains on schedule for completion in 2026 – an important milestone in our long-term growth plans. Once completed, it will bolster the Lee Gardens precinct's reputation as one of Hong Kong's most unique and attractive destinations.

In recognition of our commitment to excellence and sustainable design for a next-generation workplace and retail centrepiece, Lee Garden Eight won "Best Mixed-Use Development (Hong Kong)" and "Best Sustainable Commercial Development (Hong Kong)" in the prestigious Asia Pacific Property Awards 2025-2026, which is part of the International Property Awards. It also won a Silver Award in the Best New Development category at the MIPIM Asia Awards 2025.

The project also earned numerous design awards from various professional institutions, including the Grand Award for "Projects Under Construction and/or Design – Commercial" in the New Buildings category of the Green Building Award 2025, a Merit Award for "Excellence in Master Landscape Planning/Study" in the Hong Kong Institute of Landscape Architects Award 2024, and a Merit Award for "Excellence in Projects (Sustainability)" in the Hong Kong Institute of Surveyors QS Awards 2024.

With the Lee Garden Eight project, Hysan was named one of Hong Kong's Top 10 Developers at the Hubexo Asia Awards 2025. All of these recognitions are testament to our vision of creating an urban oasis and a vibrant community in which to live, work and thrive.

Lee Garden Eight is included under "investment properties" in our consolidated statement of financial position.

### Residential Property Development – VILLA LUCCA in Tai Po and To Kwa Wan Residential Project

VILLA LUCCA, our joint-venture luxury residential development in Tai Po, comprises 262 garden houses and apartments. As at 31 December 2025, a total of 164 units of the project had been contracted.

Market sentiment in Hong Kong's luxury residential sector improved in 2025, driven by relaxed mortgage loan-to-value ratios and declining interest rates. Favourable government policies, such as lowering the Capital Investment Entrant Scheme threshold for residential properties, created significant interest among Chinese Mainland buyers.

In 2025, cumulative sales and leases remained on track at VILLA LUCCA, reflecting sustained demand for both typical apartments and high-value villa houses. Pricing strategies and incentives supported sales momentum.

The luxury residential market is expected to remain active but selective in 2026. Ongoing economic and geopolitical uncertainties may continue to influence buyer sentiment, resulting in a market characterised by value-driven decisions and a focus on premium product differentiation. We will continue to respond to buyer sentiment and price sensitivity with flexible packages and targeted discounts, particularly for larger lump-sum transactions.

In the mass residential market, Hysan owns a 25% stake in a joint venture to develop the Urban Renewal Authority (URA)'s residential project at Bailey Street/Wing Kwong Street in Kowloon's To Kwa Wan district. This quality site will be redeveloped into three 24-storey buildings, covering a total area of over 700,000 square feet. The project is a comprehensive mixed-use development, integrating commercial, residential and public components. Hysan will oversee the design and operation of the retail portion of this project.

The development, spearheaded by the URA in collaboration with prominent developers, is one of eight projects in the innovative "District-based Redevelopment New Community" plan for To Kwa Wan. The collective vision is to foster synergy among the projects by creating an accessible and vibrant new community within the older fabric of the area. It also seeks to co-create the Victoria Cove Area, as outlined in the "To Kwa Wan Harbourfront Study" launched by the URA.

By participating in this initiative, the To Kwa Wan Residential Project will establish a new benchmark for future urban renewal strategies and contribute to extending our expertise to other areas in Hong Kong.

During the year, the project's superstructure construction progressed on schedule, with the topping-out milestone for the residential towers targeted for the first quarter of 2026. The anticipated timeframe for obtaining the occupation permit is around the fourth quarter of 2026 to the first quarter of 2027. Presale consent approval for the residential units was secured from the government in the fourth quarter of 2025, and preparations for the presale are now underway.

The VILLA LUCCA Project and To Kwa Wan Residential Project are included under "investments in joint ventures" in our consolidated statement of financial position.

#### **Shanghai Investment Property – Grand Gateway 66**

This investment property, in which Hysan owns a 26% stake, demonstrated resilient performance during the year. The investment is included in "investments in associates" under our consolidated statement of financial position.

#### **Greater Bay Area Flex – Joint Venture with IWG plc**

All IWG flexible workspace brands in Hong Kong and the Greater Bay Area are exclusively operated under a Hysan-IWG joint venture.

Demand for flexible working space continued throughout the year, as reflected by the joint venture's strong and stable occupancy rate and business performance. Leveraging our partnership with IWG, the world's leading flexible workspace platform, we are optimistic about the growth prospects of the Greater Bay Area Flex business.

As of the end of 2025, the joint venture operated a total of 47 centres across the Greater Bay Area. With this expanding footprint, the joint venture is well-positioned to capture the increasing demand for flexible workspace solutions in various cities across the Greater Bay Area.

The investment is included under "investments in joint ventures" in our consolidated statement of financial position.

# Management's Discussion and Analysis

## Medical and Health – New Frontier Group

New Frontier Group is a leading private healthcare services provider based in Chinese Mainland. It operates a comprehensive healthcare ecosystem, ranging from premium hospitals and clinics to rehabilitation and home healthcare services across the country.

Benefitting from national policies, New Frontier Group's growth momentum continued in 2025. Its territory-wide hospital and clinical network is now present in 19 cities across the Mainland, while its home healthcare services have extended to 45 cities. New Frontier Group is also actively developing new growth drivers towards emerging opportunities, including integrated oncology centres, health insurance, international medical services, clinical trials and contract research organisations.

Hysan's minority stake investment in New Frontier Group provides strategic exposure to the Mainland's fast-growing healthcare sector, where demand for premium healthcare services is on the rise.

The investment is included as part of the "other financial investments" in our consolidated statement of financial position.

## CAPITAL RECYCLING

The Group initiated a HK\$8 billion capital recycling programme through the strategic divestment of non-core assets over a 5-year period. The programme aligns with our disciplined capital allocation strategy, strengthens our financial position, and positions us to create greater sustainable value. The targeted assets primarily comprise two blocks within the Bamboo Grove, together with built-to-sell units from the VILLA LUCCA and the To Kwa Wan Residential Project. Riding on the improving market sentiment in the luxury residential sector, the Group has made good progress towards the target. As at 31 December 2025, the Group had collected HK\$2.1 billion, or 26% of its HK\$8 billion capital recycling target. As of 31 December 2025, an additional HK\$1.6 billion sales proceed has been contracted and due for completion in 2026. The Group will prioritise deleveraging and redeploying capital toward strategic priorities.

## FINANCIAL REVIEW

A review of the Group's results and operations is featured in the preceding sections. This section deals with other significant financial matters.

### Operating Costs

The Group's operating costs are generally classified as property expenses (direct costs and front-line staff wages and benefits) and administrative expenses (indirect costs largely representing payroll related costs of management and head office staff). The Group's gross profit margin was 80.2% (2024: 81.1%).

|                 | 2025<br>HK\$ million | 2024<br>HK\$ million | Change |
|-----------------|----------------------|----------------------|--------|
| Operating costs | 995                  | 954                  | +4.3%  |
| – Hong Kong     | 927                  | 886                  | +4.6%  |
| – Mainland      | 68                   | 68                   | –      |

### Finance Costs

Finance costs increased to HK\$549 million, as compared with HK\$450 million in 2024, contributed by the higher interest cost and loan drawdowns related to asset enhancement projects. The effective interest rate for the year was 3.7%, as compared with 4.3% in 2024.

Further explanation of the Group's treasury activities and policy, including debt and interest rate management, is set out in the "Treasury Policy" section.

### Revaluation of Investment Properties

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 at the prior year-end.

The valuation was carried out by Knight Frank Petty Limited, an independent professional valuer, on the basis of market value. A fair value loss on investment properties (after considering capital expenditure spent on the Group's investment properties) of HK\$1,405 million (2024: HK\$1,506 million) was recognised in the Group's consolidated statement of profit or loss for the year. The loss mainly reflects heightened market risk in the office sector weakened by continued structural changes.

The following shows the property valuation of each portfolio at year-end.

|                            | <b>2025</b><br>HK\$ million | 2024<br>HK\$ million | Change |
|----------------------------|-----------------------------|----------------------|--------|
| Retail                     | <b>32,667</b>               | 33,094               | -1.3%  |
| Office                     | <b>33,077</b>               | 34,109               | -3.0%  |
| Residential                | <b>8,133</b>                | 8,664                | -6.1%  |
| Property under development | <b>22,280</b>               | 20,680               | +7.7%  |
|                            | <b>96,157</b>               | 96,547               | -0.4%  |

During the year, 54 units of Bamboo Grove were handed over to buyers. The carrying value of these 54 units was HK\$1,224 million as at 30 June 2025; the consideration, net of disposal costs, was HK\$1,816 million, resulting in a fair value gain on disposed investment properties of HK\$592 million.

### Investments in Associates and Joint Ventures

The Group's investments in associates are primarily represented by its interest in Grand Gateway 66, a retail, office and residential complex in Shanghai, China. The share of results of associates decreased to HK\$202 million (2024: HK\$204 million). The Group's share of the revaluation loss (net of deferred tax) amounting to HK\$29 million (2024: revaluation loss of HK\$39 million). The properties at Grand Gateway 66 were revalued at fair value by an independent professional valuer for both years ended 31 December 2024 and 2025.

The Group's investment in joint ventures comprises interests in a Tai Po residential project, To Kwa Wan residential project and the IWG Flex business. The share of losses in joint ventures was HK\$783 million (2024: HK\$287 million). The loss mainly reflects impairment loss on residential properties held for development for sale.

### Other Financial Investments

Investment in New Frontier Group was one of the key initiatives which provides strategic exposure for the Group in the fast-growing healthcare sector in Mainland. As at 31 December 2025, the Group's other financial investments totalled HK\$1,652 million (2024: HK\$1,657 million). The decrease was primarily attributable to the revaluation of fair value of the investments.

### Cash and Bank Deposits

As at 31 December 2025, the Group's time deposits, cash, and cash equivalents totalled HK\$3,831 million (2024: HK\$2,211 million). The increase mainly represents cash from the Group's capital recycling initiatives.

Interest income decreased to HK\$112 million (2024: HK\$134 million), mainly due to lower deposit rates and the receipt of the majority of the capital recycling proceeds in December 2025, which resulted in limited interest income from those funds for the year.

# Management's Discussion and Analysis

## Cash Flow

Cash flow of the Group during the year is summarised below. Cash includes liquid cash and bank deposits with less than 3 months' tenor.

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| Cash generated from operations   | 2,531                | 2,543                |
| Net repayment from (advance to) joint ventures and other financial investments | 100                  | (454)                |
| Sales proceed and deposit from Bamboo Grove unit sales                         | 2,030                | –                    |
| Net borrowings   | 1,953                | 1,210                |
| Issuance, repurchase and distribution of perpetual capital securities          | (555)                | (1,156)              |
| Matured bank deposits and debt securities                                      | 1,179                | 948                  |
| Interest and taxation  | (1,129)              | (1,006)              |
| Considerations for share repurchase  | (2)                  | –                    |
| Dividends paid   | (1,210)              | (1,213)              |
| Capital expenditure  | (2,633)              | (1,890)              |
| <b>Net cash inflow (outflow)</b>   | <b>2,264</b>         | <b>(1,018)</b>       |

Net repayment from joint ventures and other financial investments amounted to HK\$100 million (2024: net advance of HK\$454 million). This mainly represents the Group's joint venture residential development project, VILLA LUCCA, which repaid its project financing in full during the year. Subsequent sales proceeds were repaid to shareholders.

Net borrowings increased by HK\$1,953 million (2024: HK\$1,210 million), comprising bank loans, fixed rate notes, and loan from non-controlling interest.

The Group issued US\$750 million (equivalent to approximately HK\$5,800 million) 7.20% subordinated guaranteed perpetual capital securities. The Group also repurchased perpetual capital securities with cash consideration totalled HK\$5,865 million (2024: HK\$728 million). During the year, the distribution paid to perpetual capital securities holders amounted to HK\$490 million (2024: HK\$428 million).

In 2025, the Group purchased a total of 156,000 ordinary shares for a total of consideration of approximately HK\$2 million on the Stock Exchange for the purpose of the 2024 Share Award Scheme.

The Group paid dividends of HK\$1,109 million (2024: HK\$1,109 million), via a 2024 second interim dividend of HK81 cents per share (2024: HK81 cents) and a 2025 first interim dividend of HK27 cents per share (2024: HK27 cents).

## Capital Expenditure and Management

Total cash outlay of capital expenditure increased to HK\$2,633 million during the year (2024: HK\$1,890 million). The capital expenditure during the year was mainly related to Lee Garden Eight development project and asset enhancement works in Lee Gardens area. The Group is committed to enhancing the asset value of its investment property portfolio through continuous enhancement and redevelopment.

## TREASURY POLICY

To ensure healthy liquidity, a strong financial position, and an optimised capital structure that supports its financing needs and sustainable growth, the Group strives to diversify funding sources and maintain an appropriate debt maturity profile aligned with the overall use of funds. The Group also aims to secure reasonable borrowing margins relative to market conditions and implement effective hedging and forex management strategies.

### Funding Sources

The Group's total Gross Debt<sup>1</sup> level as at 31 December 2025 increased to HK\$28,737 million (2024: HK\$26,717 million), primarily driven by capital expenditure on strategic projects.

As at 31 December 2025, bank loans accounted for approximately 51% of the Group's total Gross Debt with the remaining 49% from capital market financing (2024: 42%:58%).

The following table shows the Group's source of debts financing as at 31 December 2025 (in HK\$ million):

|  | Available     | Drawn         | Undrawn       |
|--|---------------|---------------|---------------|
| Secured term loans <sup>2</sup>        | 12,951        | 10,218        | 2,733         |
| Unsecured term loans                   | 4,200         | 4,200         | –             |
| Committed revolving loans              | 7,923         | 154           | 7,769         |
| Capital market issuances               | 14,165        | 14,165        | –             |
| <b>Total committed facilities</b>      | <b>39,239</b> | <b>28,737</b> | <b>10,502</b> |
| Uncommitted loans                      | 2,180         | –             | 2,180         |
| <b>Total source of debts financing</b> | <b>41,419</b> | <b>28,737</b> | <b>12,682</b> |

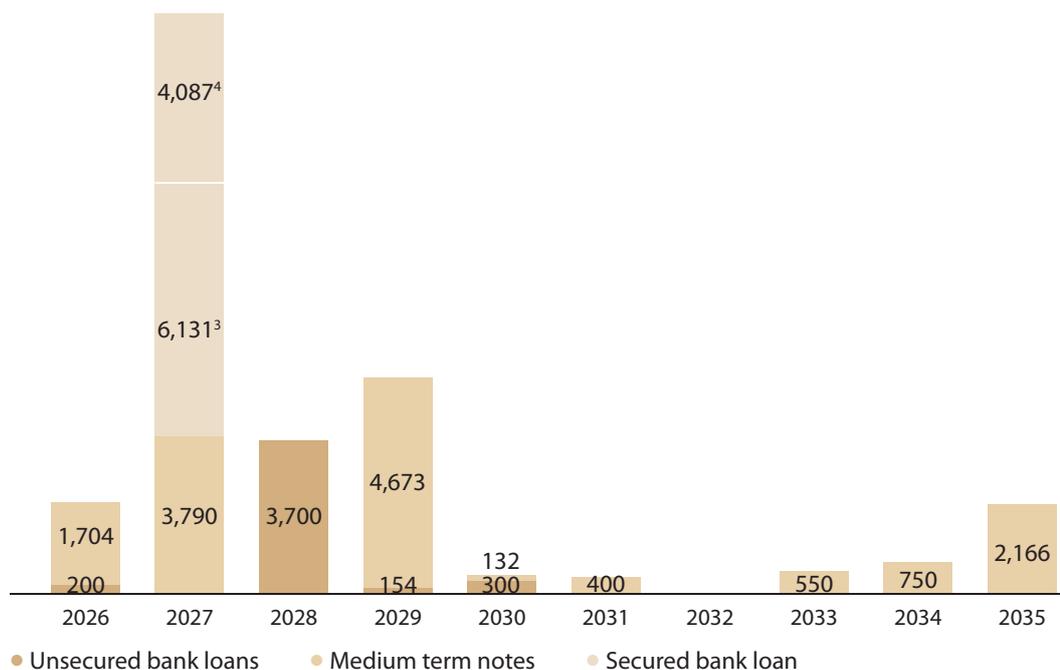
### Maturity Profile

The Group maintains a well-staggered debts maturity profile in the coming 10 years to match with the nature of our assets and operations. As at 31 December 2025, the average maturity of debt portfolio was 2.8 years (2024: 3.4 years).

- 1 Gross Debt represents the contractual principal payment obligations as at 31 December 2025. However, in accordance with the Group's accounting policies, the debt is measured at amortised costs, using the effective interest method. As disclosed in the Group's consolidated statement of financial position as at 31 December 2025, the book value of the outstanding debt of the Group was HK\$28,524 million (2024: HK\$26,514 million).
- 2 Secured term loans represent the contractual principal payment obligations of the project financing of Lee Garden Eight project.

## Management's Discussion and Analysis

The following shows the debts maturity profile of the Group at 2025 year-end (in HK\$ million):



### Gearing ratio and net interest coverage

The Group's gearing ratio, as measured by Net Debt to Equity ratio<sup>5</sup>, was 32.4% at year-end 2025 (2024: 31.4%). The Group's Net Interest Coverage<sup>6</sup> decreased to 6.3 times for 2025 (2024: 8.8 times).

### Credit Rating

The Group maintains active dialogue with credit rating agencies and aims to maintain its investment-grade credit ratings. As of 31 December 2025, the Group's credit ratings were Baa2 from Moody's and BBB from Fitch with stable outlook.

### Liquidity Management

As of 31 December 2025, the Group had cash and bank deposits totalling HK\$3,831 million (2024: HK\$2,211 million) and investment-grade debt securities of HK\$579 million (2024: HK\$896 million).

The Group also maintained undrawn committed facilities provided by banks as an additional liquidity buffer.

With plenty of cash on hand as well as undrawn banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

### Interest Rate Management

Interest expenses represent one of the key cost drivers for the Group's business. The Group closely monitors its interest rate exposure and adopts an appropriate hedging strategy based on market conditions. The fixed-rate debt ratio (after accounting for interest rate swaps) as of 31 December 2025 was 54% (2024: 61%). The effective interest rate decreased to 3.7% at year-end 2025 from 4.3% at year-end 2024, primarily reflecting lower HIBOR.

<sup>3</sup> 60% secured term loans of Lee Garden Eight project (guaranteed by Hysan).

<sup>4</sup> 40% secured term loans of Lee Garden Eight project (guaranteed by Chinachem Group).

<sup>5</sup> Net Debt to Equity is defined as borrowings less time deposits, cash and cash equivalents divided by total equity.

<sup>6</sup> Net Interest Coverage is defined as gross profit less administrative expenses before depreciation divided by net interest expenses after interest capitalisation.

### Foreign Exchange Management

The Group aims to maintain prudent currency exposure and does not speculate on currency movements for asset and liability management. It monitors and dynamically manages its foreign currency exposure, including USD and RMB, as appropriate by applying systematic measures to mitigate foreign currency risk.

Majority of guaranteed perpetual capital securities were hedged via cross-currency swaps to convert into HKD to minimise the foreign exchange uncertainty and lower their effective rate of distribution.

### Capital Management

The Group regularly reviews its capital structure and liquidity requirement, and considers refinancing, tendering, redemption, or repurchase of its issued securities as its ongoing capital management strategy, aiming to optimise funding costs, strengthen the balance sheet and maintain a prudent capital structure.

During the year, the Group tendered and fully redeemed at its option the 4.1% Subordinated Guaranteed Perpetual Capital Securities, callable in 2025, in the aggregate principal amount of US\$750 million with a cash consideration of HK\$5,833 million. To refinance this instrument, the Group issued new subordinated guaranteed perpetual capital securities of US\$750 million (equivalent to approximately HK\$5,800 million).

During the year, the Group repurchased part of the 4.85% Senior Perpetual Capital Securities in the aggregate principal amount of US\$5 million (equivalent to approximately HK\$37 million) with a cash consideration of HK\$32 million, representing approximately 1% of the principal amount of such securities initially issued. These repurchased securities were subsequently cancelled. Following the cancellation, US\$440 million in principal amount of such securities remained in issue.

### Use of Derivatives

As at 31 December 2025, outstanding derivatives were related to the hedging of interest rate risk and foreign currency risk. Strict internal guidelines have been established to ensure that derivatives are used solely to manage volatilities or to adjust the Group's treasury assets and liabilities to an appropriate risk profile.

### Counterparty Credit Risk

All deposits are placed with banks with strong credit ratings, and counterparty risk is monitored regularly. Before entering into any hedging transaction, the Group ensures that its counterparties possess solid investment-grade ratings to mitigate credit risk. As part of our risk management framework, a limit on maximum risk-adjusted credit exposure is assigned to each counterparty, reflecting the counterparty's credit quality.

### Sustainable Finance Initiatives

Sustainability is an integral part of our financing strategies. By securing sustainable financing, such as green bonds, green loans, and sustainability-linked loans, we are supporting the transition to a sustainable economy and reinforcing our commitment to sustainable development. As of year-end, sustainable finance transactions totalled HK\$18,159 million, accounting for approximately 44% of the Group's total debts and facilities.

# 3

## Corporate Governance

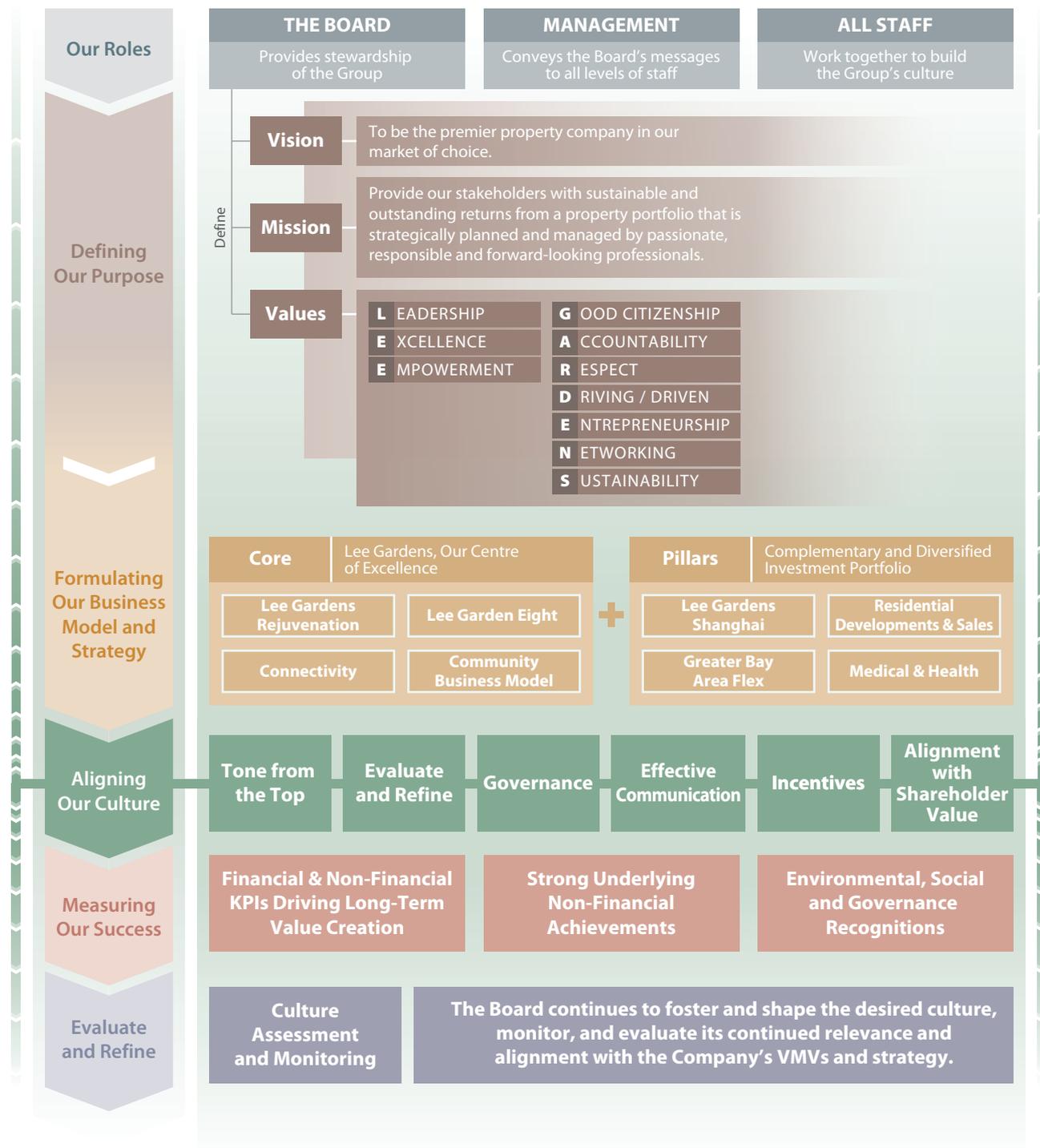
|            |   |
|------------|---|
| <b>40</b>  | Corporate Governance Report                 |
| <b>40</b>  | Our Corporate Culture Framework             |
| <b>46</b>  | Corporate Governance Highlights             |
| <b>56</b>  | Our Leadership Team                         |
| <b>66</b>  | Our Governance Framework                    |
| 68         | Corporate Governance Principles             |
| 68         | Leadership                                  |
| 82         | Effectiveness                               |
| 91         | Accountability                              |
| 103        | Engagement                                  |
| <b>108</b> | Risk Management and Internal Control Report |
| <b>117</b> | Audit and Risk Management Committee Report  |
| <b>124</b> | Remuneration Committee Report               |
| <b>136</b> | Nomination Committee Report                 |
| <b>141</b> | Sustainability Committee Report             |
| <b>146</b> | Sustainability Report 2025 – Summary        |
| <b>151</b> | Directors' Report                           |

# Corporate Governance Report

## Our Corporate Culture Framework

### LEGACY BEYOND HISTORY

Hysan's roots run deep in Causeway Bay, a place that, over the past century, has transformed into one of the world's most vibrant retail and commercial hubs. The transformation reflects our founder Mr. Lee Hysan's enterprising vision of curating a place for relaxation and recreation. Over the years, Lee Gardens has become a dynamic destination with a strong community vibe, staying true to our founder's goal of fostering social and communal connections. This legacy endures, built on a solid foundation of trust, shared values, culture and unity, guiding Lee Gardens' transformation into what it is today.



|                                    |  |  |                  |  |          |                  |  |          |                   |                              |          |                        |   |          |                      |  |          |               |                               |          |                        |  |          |                        |  |          |                  |  |          |                      |   |
|------------------------------------|--|--|------------------|--|----------|------------------|--|----------|-------------------|------------------------------|----------|------------------------|---|----------|----------------------|--|----------|---------------|-------------------------------|----------|------------------------|--|----------|------------------------|--|----------|------------------|--|----------|----------------------|---|
| <p><b>Our Roles</b></p>            | <p><b>The Board</b></p> <p>Provides stewardship of the Group. Defines our Vision, Mission, Values (“VMVs”) and strategy and ensures their alignment with our corporate culture. Sets the tone from the top, leads by example and influences change. Ensures the effectiveness and adequacy of the corporate governance system.</p> <p><b>Management</b></p> <p>Conveys the Board’s messages to all levels of staff and fosters the desired culture through effective engagement and clear communication of the Group’s strategy, business developments and expected behaviours.</p> <p><b>All Staff</b></p> <p>Work together to build the Group’s culture. Act with integrity, be responsible and honest. Be open to giving feedback and contribute to the continual refinement of the Group’s culture.</p>  |  |                  |  |          |                  |  |          |                   |                              |          |                        |   |          |                      |  |          |               |                               |          |                        |  |          |                        |  |          |                  |  |          |                      |   |
| <p><b>Defining Our Purpose</b></p> | <p>Hysan’s corporate culture is the way we express and implement our values. As a business rooted in Hong Kong for more than a century, we strive to achieve the highest standards in Citizenship, Leadership, Sustainability and Accountability through strong teamwork and effective governance.</p> <p>We excel in the areas where we operate and create unique values that mutually benefit the Company and our stakeholders, including the communities we serve.</p> <p><b>Vision</b></p> <p>To be the premier property company in our market of choice.</p> <p><b>Mission</b></p> <p>Provide our stakeholders with sustainable and outstanding returns from a property portfolio that is strategically planned and managed by passionate, responsible and forward-looking professionals.</p> <p><b>Values</b></p> <table border="1" data-bbox="370 1290 1455 1803"> <tr> <td><b>L</b></td> <td><b>eadership</b></td> <td>• Take Initiative, Challenge Conventional Wisdom, Think Independently.</td> </tr> <tr> <td><b>E</b></td> <td><b>xcellence</b></td> <td>• Aim to be the Best, Excel in What We Do.</td> </tr> <tr> <td><b>E</b></td> <td><b>mpowerment</b></td> <td>• To Empower &amp; Be Empowered.</td> </tr> <tr> <td><b>G</b></td> <td><b>ood Citizenship</b></td> <td>• High Integrity, Be Honest and Open, Give Back to the Community.</td> </tr> <tr> <td><b>A</b></td> <td><b>ccountability</b></td> <td>• Understand Roles and Responsibilities, Keep Promises and Deliver, Be Responsible for your Actions and Inactions, Transparency.</td> </tr> <tr> <td><b>R</b></td> <td><b>espect</b></td> <td>• Show Respect, Earn Respect.</td> </tr> <tr> <td><b>D</b></td> <td><b>riving / Driven</b></td> <td>• Be a High Achiever, Do Not Accept Complacency, Meet and Exceed Expectations.</td> </tr> <tr> <td><b>E</b></td> <td><b>ntrepreneurship</b></td> <td>• Seek New Opportunities, Take Action.</td> </tr> <tr> <td><b>N</b></td> <td><b>etworking</b></td> <td>• Break Silos, Help Each Other, Share Information, Knowledge and Time, Build Internal and External Networks.</td> </tr> <tr> <td><b>S</b></td> <td><b>ustainability</b></td> <td>• Think Long-Term.<br/>• Preserve and Reuse Resources, Continuous Delivery of High Quality Services.</td> </tr> </table> | <b>L</b>   | <b>eadership</b> | • Take Initiative, Challenge Conventional Wisdom, Think Independently. | <b>E</b> | <b>xcellence</b> | • Aim to be the Best, Excel in What We Do. | <b>E</b> | <b>mpowerment</b> | • To Empower & Be Empowered. | <b>G</b> | <b>ood Citizenship</b> | • High Integrity, Be Honest and Open, Give Back to the Community. | <b>A</b> | <b>ccountability</b> | • Understand Roles and Responsibilities, Keep Promises and Deliver, Be Responsible for your Actions and Inactions, Transparency. | <b>R</b> | <b>espect</b> | • Show Respect, Earn Respect. | <b>D</b> | <b>riving / Driven</b> | • Be a High Achiever, Do Not Accept Complacency, Meet and Exceed Expectations. | <b>E</b> | <b>ntrepreneurship</b> | • Seek New Opportunities, Take Action. | <b>N</b> | <b>etworking</b> | • Break Silos, Help Each Other, Share Information, Knowledge and Time, Build Internal and External Networks. | <b>S</b> | <b>ustainability</b> | • Think Long-Term.<br>• Preserve and Reuse Resources, Continuous Delivery of High Quality Services. |
| <b>L</b>                           | <b>eadership</b>   | • Take Initiative, Challenge Conventional Wisdom, Think Independently.   |                  |  |          |                  |  |          |                   |                              |          |                        |   |          |                      |  |          |               |                               |          |                        |  |          |                        |  |          |                  |  |          |                      |   |
| <b>E</b>                           | <b>xcellence</b>   | • Aim to be the Best, Excel in What We Do.   |                  |  |          |                  |  |          |                   |                              |          |                        |   |          |                      |  |          |               |                               |          |                        |  |          |                        |  |          |                  |  |          |                      |   |
| <b>E</b>                           | <b>mpowerment</b>  | • To Empower & Be Empowered.   |                  |  |          |                  |  |          |                   |                              |          |                        |   |          |                      |  |          |               |                               |          |                        |  |          |                        |  |          |                  |  |          |                      |   |
| <b>G</b>                           | <b>ood Citizenship</b>   | • High Integrity, Be Honest and Open, Give Back to the Community.  |                  |  |          |                  |  |          |                   |                              |          |                        |   |          |                      |  |          |               |                               |          |                        |  |          |                        |  |          |                  |  |          |                      |   |
| <b>A</b>                           | <b>ccountability</b>   | • Understand Roles and Responsibilities, Keep Promises and Deliver, Be Responsible for your Actions and Inactions, Transparency. |                  |  |          |                  |  |          |                   |                              |          |                        |   |          |                      |  |          |               |                               |          |                        |  |          |                        |  |          |                  |  |          |                      |   |
| <b>R</b>                           | <b>espect</b>  | • Show Respect, Earn Respect.  |                  |  |          |                  |  |          |                   |                              |          |                        |   |          |                      |  |          |               |                               |          |                        |  |          |                        |  |          |                  |  |          |                      |   |
| <b>D</b>                           | <b>riving / Driven</b>   | • Be a High Achiever, Do Not Accept Complacency, Meet and Exceed Expectations.   |                  |  |          |                  |  |          |                   |                              |          |                        |   |          |                      |  |          |               |                               |          |                        |  |          |                        |  |          |                  |  |          |                      |   |
| <b>E</b>                           | <b>ntrepreneurship</b>   | • Seek New Opportunities, Take Action.   |                  |  |          |                  |  |          |                   |                              |          |                        |   |          |                      |  |          |               |                               |          |                        |  |          |                        |  |          |                  |  |          |                      |   |
| <b>N</b>                           | <b>etworking</b>   | • Break Silos, Help Each Other, Share Information, Knowledge and Time, Build Internal and External Networks.                     |                  |  |          |                  |  |          |                   |                              |          |                        |   |          |                      |  |          |               |                               |          |                        |  |          |                        |  |          |                  |  |          |                      |   |
| <b>S</b>                           | <b>ustainability</b>   | • Think Long-Term.<br>• Preserve and Reuse Resources, Continuous Delivery of High Quality Services.                              |                  |  |          |                  |  |          |                   |                              |          |                        |   |          |                      |  |          |               |                               |          |                        |  |          |                        |  |          |                  |  |          |                      |   |

## Formulating Our Business Model and Strategy

Hysan's vision to be the premier property company in Hong Kong is embodied in our distinctive approach to Lee Gardens – cultivating it as an organically connected community, rather than a collection of individual properties. For over a century, we have thoughtfully woven our buildings into the fabric of Causeway Bay, curating a cohesive neighbourhood identity that resonates with residents, businesses and visitors alike.

At the heart of our approach is our Community Business Model, which brings our legacy values of good citizenship and networking to life through thoughtful spatial integration, curated offerings and vibrant community events. This neighbourhood-centric philosophy delivers a unique social value proposition – where sustainability and excellence extend beyond individual structures to enrich the collective community experience. By emphasising the important social element of Environmental, Social and Governance (“ESG”) principles, our model cultivates meaningful connections and mutual respect that strengthen community bonds and create a sense of belonging throughout Lee Gardens.

Our Core and Pillar Strategy focuses on the continued rejuvenation and expansion of our “Core” in Lee Gardens while making strategic investments in growth “Pillars” that complement and strengthen our overall portfolio. This holistic approach is championed by our passionate, accountable, and forward-looking management team, who balance stewardship with innovation. Through this strategic framework, we consistently deliver sustainable returns to stakeholders while creating long-term value for the community through enhanced urban experiences, economic vitality, and cultural enrichment.

### Core: Lee Gardens, Our Centre of Excellence

- **Lee Gardens Rejuvenation** – Transformation solidifying Lee Gardens' position as home of luxury and Hysan Place as a trendsetter, now entering the harvest phase with financial returns since 2024.
- **Lee Garden Eight** – Strategic expansion of our core portfolio by approximately 30% in area, featuring cutting-edge sustainability features, performing art facilities, and 60,000 sq.ft. green open space. Set for completion in 2026.
- **Connectivity** – Integrated pedestrian walkway system offering a pleasant, weatherproof journey connecting Causeway Bay MTR station and the Lee Gardens buildings in 8 minutes. Set for completion in 2026.
- **Community Business Model** – Through curating sustainable and resilient communities, we drive meaningful impact across inclusivity, economic vitality, social well-being, climate resilience, and enhanced liveability. Our community-centric approach focuses on creating vibrant spaces where people connect, businesses thrive, and neighbourhoods evolve sustainably in response to changing needs. Further details are set out in the Group's Sustainability Report 2025.

### Pillars: Complementary and Diversified Investment Portfolio

- **Lee Gardens Shanghai**  
Brings our signature community business model to one of the most populous cities in the Chinese Mainland, extending our successful placemaking approach beyond Hong Kong.
- **Residential Developments & Sales – VILLA LUCCA & To Kwa Wan Residential Project**  
Establishes quality residential development projects to broaden our income sources.
- **Greater Bay Area Flex – Joint Venture with IWG**  
Extends beyond traditional leasing into the flexible workspace sector. With 47 centres across the Greater Bay Area, we leverage a wide geographical footprint while meeting evolving workplace demands.
- **Medical & Health – New Frontier Group**  
Provides strategic exposure for the Group to the Chinese Mainland's fast-growing healthcare sector and capitalises on the rising demand for premium healthcare services.

## Aligning Our Culture

### Tone from the Top

The Board adopted a Corporate Culture Statement in 2022 to codify Hysan's established culture for better alignment with our VMVs and strategy. The Board reviews the Corporate Culture Statement regularly to ensure its continued relevance as the Group's strategy and business model evolve. The Board considered, and was satisfied, that Hysan's VMVs and strategy remain aligned with its corporate culture.

### Evaluate and Refine

The Board will continue to review and shape our desired corporate culture, maintain visibility and insight into culture initiatives, and instil Hysan's core values across all levels of the Group.

### Governance and Integrity Management

Hysan believes that embracing strong governance is the foundation for delivering its strategic objective of consistent and sustainable performance over the long term. At the heart of Hysan's governance structure is an effective Board and management team, who are committed to reinforcing Hysan's well-established VMVs and deeply engrained corporate governance tradition.

We exercise ethics beyond the narrow sense of legal compliance and are committed to embedding risk management and internal control into our corporate culture. Maintaining high standards of integrity, ethical conduct and accountability is a core feature of our governance framework, with policies and controls in place to prevent, detect and respond to misconduct and corruption.

Our Code of Ethics and key Group policies – including the Anti-Bribery and Corruption Policy, Anti-Fraud Policy, Whistleblowing Policy and Policy of Compliance – form a comprehensive compliance framework. The Code of Ethics sets out our values, standards and key procedures to maintain accountability and integrity, while the Whistleblowing Policy provides secure and confidential reporting channels with independent handling, whistleblower protection and clear investigation procedures. Policies are reviewed periodically to ensure continued effectiveness and alignment with regulatory and governance expectations.

We recognise that strong governance depends on both robust systems and a culture of integrity, and therefore adopt a systematic approach to integrity capacity building. All employees receive regular mandatory training in integrity, anti-corruption and key legal and compliance topics. These initiatives strengthen ethical decision-making, promote transparency and accountability, and help ensure that our employees can identify potential red flags and raise concerns through appropriate channels.

No regulatory breaches or confirmed cases of misconduct, malpractice or irregularity were reported in 2025.

## Aligning Our Culture (continued)

### Effective Communication

New joiners are introduced to Hysan's traditions, corporate culture and VMVs during the on-boarding orientation on their first day with Hysan. To build essential capabilities and reinforce our core values across the Company, our staff also receive regular training in a broad range of topics through the Hysan Academy, our e-learning platform, covering leadership, personal capabilities, industry knowledge, and compliance. We also host the Hysan Forum regularly to share Hysan's strategy, business developments and initiatives.

Promoting a culture of open communication and proactive engagement among Hysan staff, Hysan Pulse – our staff engagement platform, is an interactive platform where corporate policies, company news, promotions and staff events are disseminated. It serves as the key day-to-day channel through which our core values are communicated, understood and embraced. "Likes" and "Comments" from our employees help the Company understand their views and concerns. Further details on talent development and training are set out in our Sustainability Report 2025.

Employee feedback is collected regularly through formal and informal channels, including performance review meetings, exit interviews and day-to-day conversations, with a view to developing initiatives and programmes that enrich our working environment and fuel the Company's growth.

In 2023, we produced an animated video about our VMVs together with a series of training videos on behaviours that exemplify Hysan's core values.

### Incentives

Performance management is an important process that allows management to share the Group's VMVs and strategy with employees on a regular basis and promote our desired culture, values and behaviours.

Cultural elements have long been a component of Hysan's performance measurement with substantial weight given to behavioural performance in areas, such as Leadership, Professionalism, Teamwork and Resourcefulness.

Hysan's remuneration policy is designed to incentivise an appropriate balance between business performance and long-term sustainable growth. It incorporates both quantitative and qualitative performance assessments, including financial and operational targets as well as behavioural competencies that reflect the Group's long-term strategy, culture and core values.

### Alignment with Shareholder Value

In alignment and reinforcement of the Group's corporate culture, a share award plan was adopted in 2024. The share award plan aims to (i) attract and retain critical talent and drive long-term commitment to the Group; (ii) ensure performance and promote a culture of excellence; and (iii) instil a culture of accountability, engagement and a sense of ownership by aligning compensation with long-term Company success.

## Measuring Our Success

### Financial & Non-Financial KPIs Driving Long-Term Value Creation

|                                |                                    |
|--------------------------------|------------------------------------|
| <b>Financial Achievements:</b> | <b>HK\$3,464 million</b>           |
|                                | <b>Turnover</b>                    |
|                                | <b>HK\$1,918 million</b>           |
|                                | <b>Recurring Underlying Profit</b> |
|                                | <b>HK\$2,510 million</b>           |
|                                | <b>Underlying Profit</b>           |
|                                | <b>HK108 cents</b>                 |
|                                | <b>Dividend per Share</b>          |

### Strong Underlying Non-Financial Achievements:

| Category           | 2025 Non-financial Achievements  |
|--------------------|--|
| <b>Governance</b>  | Maintained 50% board independence ratio.   |
|                    | Maintained 40% female board representation, exceeding the target of 33%.                                       |
|                    | Zero cases of cyber security/data privacy breaches   |
| <b>Environment</b> | Reduced >19% of scope 1 and 2 carbon emissions from 2021   |
|                    | Reduced >7% of electricity use from 2021   |
|                    | Targets validated by the Science Based Target initiative (SBTi)  |
|                    | Over 38,000 kWh renewable energy generated   |
|                    | 44% of debt financed by sustainable finance  |
| <b>Community</b>   | Curated >3,000,000 Happy Hours   |
|                    | Engaged >3,300,000 participants through >220 events  |
|                    | Maintained traditional trade and modern urban culture shops >25:75 ratio                                       |
|                    | Provided support to >30% of the stakeholders in the Lee Gardens neighbourhood to help sustain their businesses |
|                    | Zero work-related fatalities   |
| <b>People</b>      | 53% of management positions* held by women   |
|                    | 6% year on year increase in total training hours   |

\* "Management positions" – manager grade staff and above.

### Environmental, Social and Governance Recognitions

#### Attained recognitions from key relevant ESG benchmarks and indices.



Gold – Most Sustainable Organisations Awards (Medium and Small Market Capitalisation Category – Elite Past Winners section), Best Corporate Governance and ESG Awards 2025 for the 22nd consecutive year



ISS ESG Ratings  
Rank 1 in Governance



Constituent Member of  
Hang Seng Corporate  
Sustainability Index Series



GRESB  
REAL ESTATE  
★★★★★ 2025

Received a "5-star"  
Rating



FTSE4Good

Constituent Member  
of the FTSE4Good  
Index Series



"Low Risk" in  
Sustainalytics ESG  
Risk Rating

## Evaluate and Refine

### Culture Assessment and Monitoring

Measures are in place to ensure the desired culture and expected behaviours are communicated to all employees. Specific indicators, both quantitative and qualitative, are also used for assessing and monitoring corporate culture:

|                             |
|-----------------------------|
| Staff turnover rate         |
| Whistleblowing data         |
| Board evaluation            |
| Breaches of code of conduct |
| Regulatory breaches         |

Moreover, the Board continues to shape the desired culture, while monitoring and evaluating its continued relevance and alignment with the Company's VMVs and strategy.

It also continues to evaluate the design, implementation and effectiveness of the Group's culture and ethics-related programmes, activities and policies.

## Corporate Governance Highlights

Hysan Development Company Limited (the “Company”) and its subsidiaries (the “Group” or “Hysan”) believe that strong governance is the foundation for delivering its strategic objectives and sustainable returns to our stakeholders over the long term.

Throughout 2025, Hysan continued to implement and uphold the principles of good corporate governance as set out in the Corporate Governance Code (the “CG Code”), contained in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange” or “HKEx”). Hysan has fully complied with the code provisions of the CG Code, as well as all applicable requirements and provisions of the Environmental, Social and Governance Reporting Code as set out in Appendix C2 of the Listing Rules.

### KEY FOCUS AREAS OF THE BOARD IN 2025

As we navigated a period marked by significant challenges and opportunities, the Board identified several key areas of focus for the year. These priorities are essential for ensuring the Group’s long-term growth and resilience.

- **Execution of the Group’s “Core and Pillar Strategy”**

Rejuvenate and enhance the competitiveness of our core portfolio in response to structural changes in the retail and office sectors. Build diversified and complementary pillars for long-term growth.

- **Capital Recycling**

Optimising the Group’s capital structure through deleveraging, unlocking value from mature residential assets, and redeploying resources toward strategic priorities.

- **Capital Management**

Ensure robust liquidity and disciplined capital allocation, including optimising our funding structure, debt maturity profile and financing costs. Maintain rigorous control over operational and capital expenditures.

- **Business and Operational Risk Management**

Assess and mitigate challenges arising from economic uncertainties, geopolitical tensions, structural changes in the retail and office sectors, interest rate fluctuations, acute weather events, and cybersecurity threats.

- **Succession Planning**

- Gradual and orderly refreshment of the Board to ensure continuity and governance excellence, aligning with the skills and expertise necessary to support the Group’s strategy and growth.
- Proactively identify talent to ensure a seamless transition for independent non-executive directors of the Company (“INEDs”), addressing the impending loss of INEDs and their expertise due to the regulatory requirements on INED tenure.
- In light of the skills and expertise of our long-serving and retired INEDs, priority would be given to candidates with essential skill sets in finance and risk management.

## HIGHLIGHTS OF THE YEAR

### BOARD COMPOSITION

In accordance with the long-term succession plan of the Board to balance experience, expertise, diversity and tenure, the Board has been refreshing its composition in an orderly and forward-looking manner over the past few years.

#### Board Independence & Diversity

- The independence ratio of the Board was maintained at 50% during the year, reinforcing robust independent oversight.
- The Company maintained a high level of gender diversity, with female representation at 40% as at 2025, exceeding the measurable objectives set under the Board Diversity Policy.
- The Board Evaluation confirmed that strong corporate governance pedigree and independence remain key strengths of the Board.

#### Refreshment of INEDs' Tenure

- Following the appointment of a new INED in late 2024, the Board approved the retirement of an INED during the year and refreshed the average tenure of INEDs.
- This Board refreshment formed part of the Company's ongoing succession planning and addressed regulatory and governance considerations relating to INED tenure, ensuring an optimal balance between continuity and the introduction of fresh perspectives.

#### Board Skills Matrix

- The Board conducted a detailed review and refinement of the Board skills matrix, updating key skill categories, specific expertise and their relevance to the Group. Skills and experience of each director of the Company ("Director") were reviewed against the updated matrix to confirm coverage and identify any potential gaps.
- Following the annual review, the Board considered that the existing mix of skills, experience and expertise continued to be appropriate and adequate, and aligned with the Group's strategic priorities, values and corporate culture.
- As the industry landscape becomes increasingly complex, the Board will continue to build and refresh skills to address a more challenging business environment.

**A diligent & engaged Board. Excellent collaboration.  
Everyone is committed to bring unique value to the  
Company.**

Directors' comments received in 2025 Board Evaluation

# Corporate Governance Report

## HIGHLIGHTS OF THE YEAR (continued)

### Strong Engagement and Contribution of each Director

- All Directors demonstrated strong commitment to their roles during the year, achieving 100% attendance at meetings of the Board, Board Committees and the annual general meeting, with active engagement and participation.
- The Board Evaluation confirmed that the Board and its Committees remained highly effective, with each Director making positive and constructive contributions.

### CAPITAL MANAGEMENT & ASSET RECYCLING

- The Group announced an HK\$8 billion capital recycling programme spanning the next five years via targeted divestment of non-core assets.
- In 2025, the Group collected HK\$2.1 billion (26% of the programme target) through capital recycling initiatives.

### STAKEHOLDER ENGAGEMENT

- In addition to the hybrid annual general meeting of the Company ("AGM") that broadens the reach of the AGM, the Company maintains robust investor relations through biannual webcast earnings calls open to the global investor community and Shareholders.
- Targeted investor meetings and property conferences engaging debt and equity capital providers; and guided property tours providing firsthand insights into the Company's developments and ongoing business activities.

**The Company is well run and delivered strong results in a difficult period. Close executive chair work relationship with management allows a proactive, detailed and effective operation.**

Directors' comments received in 2025 Board Evaluation

## A LONG-ESTABLISHED CORPORATE GOVERNANCE TRADITION

We are committed to achieving best practices in all aspects of corporate governance, going above and beyond regulatory compliance with the Listing Rules.

This section highlights the corporate governance practices Hysan has adopted over the years, which remain best practices exceeding the relevant CG Code and/or the Listing Rules requirements.

### GOVERNANCE STRUCTURE

- Our Board comprises 10 Directors, of which five are INEDs, exceeding the independence requirements under the Listing Rules.
- The remuneration committee of the Company (“Remuneration Committee”) consists entirely of INEDs.
- The nomination committee of the Company (“Nomination Committee”) comprises 60% female members.
- An effective and thorough evaluation of the Board and the Board Committees is conducted digitally on an annual basis, followed by timely and meaningful analysis and discussion of Directors’ feedback and action plans.
- The Company engaged an external legal advisor to review and enhance the Board evaluation framework, including the assessment criteria, questionnaire and analysis of findings. This process further strengthened the integrity and robustness of the evaluation.
- Directors are appointed through formal letters of appointment, which set out formal criteria and requirements (including expected time commitments) for their appointment.
- Refined the existing corporate governance guidelines and formalised them into Hysan’s Code of Corporate Governance\*, which articulates the framework for the Group’s corporate governance practices and reinforces the Board’s governance responsibilities.
- A Board of Directors Mandate\* and a detailed Schedule of Corporate Matters Reserved for the Board\* have been adopted to provide a clear division of roles between the Board and the Company’s management.
- Comprehensive Onboarding Guidelines for Directors\* have been established to familiarise new Directors with Hysan’s business, strategy, VMVs, culture and governance.
- The terms of reference of the Nomination Committee require the majority of members to be INEDs, exceeding the Listing Rules requirements.

**Very strong corporate governance pedigree with the Company.**

Directors’ comments received in 2025 Board Evaluation

# Corporate Governance Report

|  |  |
|--|--|
| <b>STAKEHOLDER ENGAGEMENT</b>          | <ul style="list-style-type: none"><li>• Limits have been placed on the issuance of additional shares under a general mandate since 2018; such issuances shall not exceed 10% of the total number of the Company's issued shares, and the discount- to-market price of any shares to be issued shall not exceed 10%.</li><li>• More than 20 business days' notice is given for the AGM.</li><li>• Early announcements of audited financial results and publication of annual reports (within two months and three months after the financial year-end respectively).</li></ul>  |
| <b>INTERNAL CONTROL AND COMPLIANCE</b> | <ul style="list-style-type: none"><li>• A Risk Appetite Statement*, adopted in 2021, articulates Hysan's principles of risk acceptance in pursuit of its strategic mission and business objectives. The statement defines the types of risk scenarios the Group should avoid becoming exposed to, taking into consideration the varying levels of exposure.</li><li>• A Tax Governance Policy* adopted in 2021, along with a supporting tax compliance policy and procedures, provides a tax governance framework on compliance and risk management.</li><li>• An Anti-Fraud Policy* adopted in 2021 and updated in 2023, along with supporting fraud handling procedures and controls, is in place to govern the prevention, detection and reporting of fraud.</li><li>• A Human Rights Policy*, adopted in 2020 and updated in February 2024, and a Code of Ethics* applicable to all staff and Directors were adopted in 2005 and updated in January 2024. The policy and the code are designed to promote a healthy corporate culture of accountability, transparency, integrity and ethical behaviour.</li><li>• A separate Whistleblowing Policy* was established in 2016 to allow reporting to be made in confidence to an independent third party, which reports directly to the audit and risk management committee of the Company ("Audit and Risk Management Committee"). The Whistleblowing Policy, together with the Anti-Bribery and Corruption Policy*, both updated in February 2026, reinforces and expands Hysan's existing anti-corruption system and procedures.</li></ul> |

**The Board collaborates effectively and possesses the requisite expertise to provide guidance and oversee the Company's governance and strategic initiatives.**

Directors' comments received in 2025 Board Evaluation

## INTERNAL CONTROL AND COMPLIANCE

(continued)

- An Auditor Services Policy\* was adopted in 2012 to set the parameters within which auditors may be engaged for audit, non-audit or tax work that is consistent with applicable laws and Hysan's corporate governance principles.
- A formal Code for Securities Dealing by Restricted Employees, which sets out clearance and approval procedures for securities dealings, has been adopted and was updated in January 2026 to extend the relevant Listing Rules requirements to employees who, because of their office, are likely to have access to confidential or inside information of the Group.
- Connected transactions and continuing connected transactions are approved by the full Board, with a requirement that transactions exempt under the Listing Rules be reported to and confirmed by the full Board after obtaining the approval of the executive committee of the Company ("Executive Committee").
- Additional assurance regarding the review of continuing connected transactions is provided by Internal Audit.
- Confirmation from senior management to the Audit and Risk Management Committee and the Board is provided to verify the effectiveness and adequacy of the Group's risk management and internal control systems.
- All corporate policies and procedures (including but not limited to policies on financial reporting, procurement and privacy compliance) are reviewed annually to ensure their continued effectiveness and relevancy.

**The ARC chair, with his extensive real estate expertise, will further enhance internal audit capabilities, and effectively monitor existing risks and proactively identify emerging ones.**

Directors' comments received in 2025 Board Evaluation

# Corporate Governance Report

|                              |   |
|------------------------------|---|
| <b>SUSTAINABILITY</b>        | <ul style="list-style-type: none"><li>• A sustainability committee of the Company (“Sustainability Committee”) was established in 2020, with a clear governance structure and terms of reference to support the Board in overseeing and providing direction on the Group’s sustainability development and management of ESG-related risks and issues.</li><li>• In support of Hysan’s sustainability strategy and vision, a sustainable Finance Framework* was adopted in 2021. This framework expands the scope of the Company’s existing Green Finance Framework* to include not only green projects but also social projects and initiatives that have a positive impact on society and our stakeholders.</li><li>• Financing transactions conducted under the Green Finance Framework and Sustainable Finance Framework include the first green bond in 2019, the first sustainability-linked loan in 2021, and an ESG-linked loan facility in 2022.</li><li>• A Sustainable Procurement Policy*, adopted in 2021 and updated in February 2026, provides guidelines for making sustainable procurement decisions with the lowest environmental impact and the most positive social results.</li><li>• A Suppliers’ Code of Conduct adopted in February 2025 states our commitment to conduct business ethically, sustainably and with respect for human rights. Our service providers and contractors are expected to adhere to the Suppliers’ Code of Conduct.</li></ul> |
| <b>DISCLOSURE AND OTHERS</b> | <ul style="list-style-type: none"><li>• Individual reports for each Board Committee are published in the Annual Report to enhance transparency.</li><li>• Hysan’s risk management and internal control framework, along with details on how Hysan manages the Group’s significant risks, were disclosed in the Risk Management and Internal Control Report.</li><li>• A Corporate Culture Statement* was adopted in 2022 to codify Hysan’s culture for better alignment with Hysan’s well-established VMVs and strategy.</li><li>• A Corporate Disclosure Policy* formulated in 2013 promotes the disclosure of information in a timely, accurate and broadly disseminated manner.</li><li>• The disclosure committee of the Company (“Disclosure Committee”) conducts regular assessments of potential inside information and communications.</li><li>• The Dividend Policy was adopted in 2018 and updated in November 2024 with enhanced disclosure on objectives and factors to be considered in dividend decisions.</li></ul>  |

\* Detailed policies and terms of reference are available on the Company’s website: [www.hysan.com.hk/governance](http://www.hysan.com.hk/governance).

## FROM COMPLIANCE TO EXCELLENCE

In July 2025, the amended Corporate Governance Code and the associated Listing Rules (“Amended CG Code”) came into effect, with the new requirements applicable to financial years commencing on or after 1 July 2025. Hysan has continued to further enhance its governance practices ahead of these regulatory requirements, reaffirming our commitment to governance excellence and the creation of long-term shareholder value.

| New Requirements                                  | Hysan’s Practices  |
|---|--|
| Directors’ time commitment and contribution       | <ul style="list-style-type: none"> <li>✓ <b>RIGOROUS ANNUAL ASSESSMENT:</b> The Nomination Committee conducts and reports its assessment of each Director’s time commitment and contribution to the Board.</li> <li>✓ <b>ENHANCED DISCLOSURE:</b> <ul style="list-style-type: none"> <li>– detailed disclosure of the annual assessment process under the Nomination Committee Report, including the assessment criteria applied.</li> <li>– disclose the range of hours contributed by executive Directors (“EDs”), non-executive Directors (“NEDs”) and INEDs respectively.</li> </ul> </li> </ul> |
| Mandatory director training on specific topics    | <ul style="list-style-type: none"> <li>✓ <b>EARLY ADOPTER:</b> Directors have undertaken no less than eight hours of relevant training in each financial year since 2023, with all Directors fulfilling the recommended training hours for the year ended 31 December 2025.</li> <li>✓ <b>ENHANCED DISCLOSURE:</b> Modes and topics of training for each Director, together with the total number of training hours undertaken, are disclosed in the Corporate Governance Report.</li> </ul>   |
| Board performance review at least every two years | <ul style="list-style-type: none"> <li>✓ <b>EXCEEDS REQUIREMENT:</b> <ul style="list-style-type: none"> <li>– Board evaluations are conducted <b>annually</b> through structured questionnaires, providing more frequent governance oversight and opportunities for continuous improvement.</li> <li>– An external legal advisor has been engaged to review and enhance the Board evaluation framework, including the assessment criteria, questionnaire and analysis of findings, further strengthening the integrity and robustness of the evaluation.</li> </ul> </li> </ul>                      |

# Corporate Governance Report

| New Requirements  | Hysan's Practices  |
|---|--|
| Disclosure of board skills matrix   | <ul style="list-style-type: none"> <li>✓ <b>COMPREHENSIVE APPROACH:</b> A thorough analysis and refinement of the Board skills matrix, including specific expertise and their relevance, and an assessment of each Director's skills against the Board skills matrix, are conducted by the Nomination Committee annually.</li> <li>✓ <b>ENHANCED DISCLOSURE:</b> The Corporate Governance Report provides detailed disclosure on the importance and relevance of these skills to the Company's business to ensure the Board maintains the necessary diversity of skills in a dynamic operating environment.</li> </ul> |
| Overboarding INED<br>Hard cap of six listed company directorships               | <ul style="list-style-type: none"> <li>✓ <b>FULL COMPLIANCE:</b> None of our Directors individually held directorships in more than <b>three</b> public companies (excluding Hysan) as of 31 December 2025, ensuring focused governance attention.</li> </ul>  |
| Nomination committee consists of at least one member of a different gender      | <ul style="list-style-type: none"> <li>✓ <b>EXCEEDS REQUIREMENT:</b> Our Nomination Committee has <b>60% female representation</b>, demonstrating our genuine commitment to balanced perspectives in governance decisions.</li> </ul>  |
| An annual review of the implementation of the Board Diversity Policy            | <ul style="list-style-type: none"> <li>✓ <b>TRANSPARENT GOVERNANCE:</b> Our Board Diversity Policy, its implementation and effectiveness are thoroughly reviewed by the Nomination Committee annually with detailed disclosure in the Nomination Report.</li> </ul>  |
| Adoption of Workforce Diversity Policy  | <ul style="list-style-type: none"> <li>✓ <b>EARLY ADOPTION:</b> Our Workforce Diversity Policy, which outlines our approach and commitment to promoting diversity and inclusion in the workforce, was adopted in November 2024.</li> <li>✓ <b>MEASURABLE OBJECTIVES:</b> Established under the Workforce Diversity Policy to maintain a workforce comprising at least 40% of female employees (including senior management).</li> </ul>  |
| Separate disclosure of the gender ratios of senior management and the workforce | <ul style="list-style-type: none"> <li>✓ <b>COMPREHENSIVE REPORTING:</b> Gender ratios are disclosed with context in the Workforce Diversity section.</li> </ul>   |

| New Requirements   | Hysan's Practices   |
|--|---|
| Annual review of the effectiveness of the risk management and internal control systems | ✓ <b>INTEGRATED APPROACH:</b> Effectiveness of risk management and internal control systems is thoroughly reviewed by the Board annually, with comprehensive disclosure in the Risk Management and Internal Control Report. |
| Disclose the dividend policy and the Board's dividend decisions                        | ✓ <b>EARLY ADOPTION:</b> Enhanced disclosure was implemented ahead of requirements, providing Shareholders with greater transparency on capital allocation decisions.   |

**LOOKING FORWARD: GOVERNANCE EVOLUTION**

Hysan remains committed to governance excellence that goes beyond compliance. We continuously evaluate emerging best practices and stakeholder expectations to ensure our governance framework supports sustainable business success and stakeholder value creation.

**Excellent Board chairman leadership in attention to relevant strategic issues, and ensuring openness and effective contribution by all Directors.**

Directors' comments received in 2025 Board Evaluation

## Our Leadership Team

### Executive Directors



### Lee Irene Yun-Lien

Chairman of the Board



**Board Appointment** Ms. Lee was appointed as a non-executive Director in March 2011, became the non-executive Chairman in May 2011, and has served as executive Chairman since March 2012. She also serves as a director of certain subsidiaries of the Group. She is aged 72.

**Competencies and Experience** Ms. Lee leads the Group in her executive Chairman role. Ms. Lee is an independent director of Alibaba Group Holding Limited, where she chairs its nominating and corporate governance committee and compliance and risk committee. She also serves as a member of the board of trustees of The Better Hong Kong Foundation.

Previously, Ms. Lee held senior positions in investment banking and funds management at a number of international financial institutions, including Citibank in New York, London and Sydney, and was the global head of corporate finance at the Commonwealth Bank of Australia. She was also on the boards of many listed and unlisted companies, including ING Bank (Australia) Limited and QBE Insurance Group Limited. In addition, Ms. Lee was the independent non-executive chairman of Hang Seng Bank Limited. She was also an independent non-executive director of CLP Holdings Limited, Cathay Pacific Airways Limited, Noble Group Limited, HSBC Holdings plc, The Hongkong and Shanghai Banking Corporation Limited, and a member of the Advisory Council of JP Morgan Australia. She was also formerly a member of the Australian Government Takeovers Panel and a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority.

Ms. Lee is a member of the founding Lee family, sister of Mr. Lee Anthony Hsien Pin (a non-executive Director) and his alternate on the Board.

**Qualifications** Ms. Lee holds a Bachelor of Arts degree from Smith College, the United States of America, and is a Barrister-at-Law in England and Wales and a member of the Honourable Society of Gray's Inn, the United Kingdom. She was awarded the degree of Doctor of Social Science, *honoris causa*, from The Chinese University of Hong Kong in November 2022.

**Committee** Ms. Lee is the chairman of the Nomination Committee.



Audit and Risk Management Committee



Remuneration Committee



Nomination Committee



Sustainability Committee



Committee Chairman

## Executive Directors (continued)



### Lui Kon Wai

Executive Director and Chief Operating Officer

**Board Appointment** Mr. Lui was appointed as the Group's Chief Operating Officer in December 2016 and executive Director in October 2021. He also serves as a director of certain subsidiaries of the Group. He is aged 60.

**Competencies and Experience** Under the leadership of the executive Chairman, Mr. Lui is responsible for translating and executing the Group's strategy and vision into operational and financial attainment, and driving the Group's business growth, development and investment. He has over 30 years of experience as a senior executive in the global property industry, covering acquisitions, development and asset management for residential, office, retail and large-scale mixed-use developments in Hong Kong, the Chinese Mainland and overseas. Mr. Lui also serves as a member of the Hong Kong Tourism Board, the Council for Carbon Neutrality and Sustainable Development of the HKSAR Government and the Real Estate Services Training Board of Vocational Training Council.

**Qualifications** Mr. Lui holds a Master of Business Administration from the University of Warwick, the United Kingdom. He is also a Fellow of the Royal Institution of Chartered Surveyors.

## Independent Non-Executive Directors



### Chung Cordelia

Independent Non-Executive Director



**Board Appointment** Ms. Chung was appointed as an independent non-executive Director in May 2023 and is aged 66.

**Competencies and Experience** Ms. Chung has extensive multinational experiences specialising in information technology, with knowledge of the building industry. She was trained and practised as a lawyer. Ms. Chung spent over 20 years with IBM China/Hong Kong Limited ("IBM"). At IBM, she was the first Asian female executive to serve on the chairman and chief executive officer's strategy team, responsible for setting global direction for the company. She held senior leadership positions at IBM, including regional general manager for Southeast Asian countries, general manager for Hong Kong and Macau and general counsel for Asia Pacific.

Ms. Chung currently serves as an independent non-executive director and the chairman of the remuneration committee of HKBN Ltd., an independent non-executive director and the chairman of the remuneration committee of Hang Seng Bank Limited, an independent non-executive director of HKSTP Foundation Limited, and a non-executive director and the chairman of the Asia Pacific advisory council and the risk committee of Arup Group Limited. She is the chairperson of Maryknoll Convent School Foundation Limited and a consultant at Raymond T.Y. Chan, Victoria Chan & Co. Ms. Chung also serves as a member of the Court of City University of Hong Kong and a non-official member of the HKSAR Government's University Grants Committee and Life and Health Technology Research Institute Steering Committee. Ms. Chung is a two-time awardee of the Directors of the Year Award by The Hong Kong Institute of Directors in 2022 and 2025 respectively. She was also awarded the Medal of Honour by the HKSAR Government in 2024 in recognition of her contributions in promoting innovation and technology development in Hong Kong and her active participation in public service.

Ms. Chung was previously the chairman of the board of HKBN Ltd., a non-executive director of Hong Kong Science and Technology Parks Corporation and Grosvenor Asia Pacific Limited, a member of the Human Resources Planning Commission and the Research Grants Council of the HKSAR Government, Dalian Committee of the Chinese People's Political Consultative Conference and the Personal Data (Privacy) Advisory Committee of the Office of the Privacy Commissioner for Personal Data, Hong Kong. Ms. Chung was also a trustee of the board, the chairman of the promotion and development committee and member of the audit and risk committee of the Singapore University of Technology and Design.

**Qualifications** Ms. Chung holds a Bachelor of Laws (Hons) from the University of Hong Kong.

**Committees** Ms. Chung is the chairman of the Remuneration Committee and a member of the Nomination Committee.



## Independent Non-Executive Directors (continued)



### Churchouse Frederick Peter

Independent Non-Executive Director



**Board Appointment** Mr. Churchouse was appointed as an independent non-executive Director in December 2012 and is aged 76.

**Competencies and Experience** Mr. Churchouse has been involved in Asian securities and property investment markets for more than 30 years. Currently, he is a private investor and has his own private family office company, Portwood Company Ltd. Mr. Churchouse is an independent non-executive director of Longfor Group Holdings Limited. He was the publisher and author of *The Churchouse Letter*.

In 2004, Mr. Churchouse set up an Asian investment fund under LIM Advisors. He acted as the director and Responsible Officer of LIM Advisors until the end of 2009.

Prior to this, Mr. Churchouse worked at Morgan Stanley as a managing director and advisory director from early 1988. He acted in a variety of roles, including head of regional research, regional strategist, and head of regional property research. He was also a board member of Macquarie Retail Management (Asia) Limited.

**Qualifications** Mr. Churchouse gained a Bachelor of Arts degree and a Master of Social Sciences degree from the University of Waikato in New Zealand.

**Committees** Mr. Churchouse is the chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and Nomination Committee.

## Independent Non-Executive Directors (continued)



### Wong Ching Ying Belinda

Independent Non-Executive Director



**Board Appointment** Ms. Wong was appointed as an independent non-executive Director in December 2018 and is aged 54.

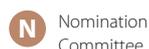
**Competencies and Experience** Ms. Wong was the former chairwoman and chief executive officer of Starbucks China. Under her visionary leadership, Starbucks expanded its retail presence over 15-fold, reaching more than 7,500 company-owned stores across 1,000 cities and solidifying China as its largest international market. Ms. Wong positioned the brand at the forefront of retail innovation, championing digital initiatives that revolutionised operations and enhanced customer experiences. Notably, she created an omni-channel business model that generated half of the sales of Starbucks China and developed a highly successful loyalty programme with nearly 150 million members.

Ms. Wong joined Starbucks Coffee Company in 2000 and held leadership positions across a variety of business units and geographies, including marketing director for the Asia Pacific region of Starbucks Coffee, managing director of Starbucks Singapore and general manager of Starbucks Hong Kong. She has extensive experience in retail, food and beverage, people, brand development and growth strategy across the Greater China and Asia Pacific regions.

Ms. Wong is currently an independent non-executive director of Chow Tai Fook Jewellery Group Limited and an independent director of Canada Goose Holdings Inc. (listed on the New York Stock Exchange and Toronto Stock Exchange). She also serves as a member of the Faculty Advisory Board for the University of British Columbia's Sauder School of Business. Ms. Wong previously served as an independent non-executive director of Television Broadcasts Limited.

**Qualifications** Ms. Wong holds a Bachelor of Commerce degree with a major in finance from the University of British Columbia in Canada.

**Committee** Ms. Wong is a member of the Nomination Committee and Sustainability Committee.



## Independent Non-Executive Directors (continued)



### Young Elaine Carole

Independent Non-Executive Director



**Board Appointment** Ms. Young was appointed as an independent non-executive Director in March 2022. She is aged 61.

**Competencies and Experience** Ms. Young has extensive experience in both real estate and hospitality across Asia. She is the co-founder of the boutique serviced apartment brand, Shama. After Shama was acquired by ONYX Hospitality Group in 2010, Ms. Young founded her own real estate and hospitality consultancy firm. In 2017, Ms. Young co-founded TULU, a Shanghai based Co-Living brand. Ms. Young is a special advisor to one of Warburg Pincus' joint ventures in China, NOVA Property Investment Co. Ltd., and sits on its board. She is also the co-chair of The Mekong Club, a non-profit organisation that fights modern day slavery. She was named "Entrepreneur of the Year" at the prestigious RBS Coutts/Financial Times Woman in Asia Awards in 2009.

Ms. Young served as an independent non-executive director of Link Asset Management Limited (as manager of Link Real Estate Investment Trust) for nine years until 31 January 2022 and was a member of its finance and investment committee and remuneration committee. She was an independent non-executive director of Ascott Residence Trust Management Limited, the manager of Ascott Residence Trust listed on The Singapore Exchange Securities Trading Limited, and was a member of its audit committee.

**Committees** Ms. Young is the chairman of the Sustainability Committee and a member of the Remuneration Committee.

## Independent Non-Executive Directors (continued)



### Zhang Yong

Independent Non-Executive Director



**Board Appointment** Mr. Zhang was appointed as an independent non-executive Director in December 2024 and is aged 54.

**Competencies and Experience** Mr. Zhang is the managing partner of Firstlight Capital. He is also a member of Hong Kong Stock Exchange's China Advisory Group and the board of directors of the Saudi Tourism Authority.

Mr. Zhang was appointed as the chief executive officer of Alibaba Group in May 2015 and its chairman in September 2019 until September 2023. Mr. Zhang was a founding member of the Alibaba Partnership.

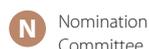
Mr. Zhang joined Alibaba Group in 2007 where he held numerous key positions, including chief financial officer of Taobao Marketplace; general manager and president of Tmall.com; chief operating officer of Alibaba Group; chairman of Cainiao Network; and chairman and chief executive officer of Alibaba Cloud Intelligence Group, in addition to his other key positions until 2023. During his 16-year journey with Alibaba Group, Mr. Zhang was the driving force behind numerous groundbreaking initiatives and his innovations have redefined the global industry for brands, retailers and beyond. He created Tmall, Alibaba's B2C e-commerce platform which today has grown to become the world's largest third-party e-commerce marketplace for brands and retailers. He launched Singles Day, which transformed November 11th into the biggest shopping festival worldwide. He reinvented brand e-commerce from a sales channel to a D2C platform where brands can directly reach, engage and sell to 1 billion Chinese consumers with access to immense consumer insights, creating a robust business model which turned the consumer e-commerce business into Alibaba's profit engine. Mr. Zhang was also a pioneer in new retail, setting new industry benchmarks such as with Alibaba's grocery retailer experiment Freshippo, inspiring global peers in the retail industry. He also oversaw the creation of a unified data infrastructure across Alibaba's various businesses, which unlocked the immense value of cross-business data intelligence for the company and became an industry benchmark for enterprise digitalisation in China.

Before joining Alibaba Group, Mr. Zhang was chief financial officer of Shanda Interactive Entertainment Limited between 2005 and 2007. Mr. Zhang started his career at Arthur Andersen and PricewaterhouseCoopers from 1995 to 2005.

Mr. Zhang previously served as a member of the World Economic Forum International Business Council and as co-chair of the Consumer Goods Forum on both its global and China boards. He was recognised as one of the 100 Most Influential People by TIME magazine in 2020, Best CEO by Forbes China in 2020, and Businessperson of the Year by Fortune magazine in 2019 and 2020.

**Qualifications** Mr. Zhang graduated from Shanghai University of Finance and Economics with a Bachelor's degree in Finance.

**Committee** Mr. Zhang is a member of the Audit and Risk Management Committee.



## Non-Executive Directors



### Lee Anthony Hsien Pin

Non-Executive Director

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**Board Appointment** Mr. Lee was appointed as a non-executive Director in 1994 and is aged 68.

**Competencies and Experience** Mr. Lee is a non-executive director and chairman of the investment committee of Television Broadcasts Limited, as well as a member of the Board of Trustees of Princeton University. He previously served as a director and substantial shareholder of the Australian-listed Beyond International Limited, principally engaged in television programme production and international sales of television programmes and feature films.

Mr. Lee is a member of the founding Lee family and a director of Lee Hysan Company Limited, a substantial Shareholder. He is the brother of Ms. Lee Irene Yun-Lien, the executive Chairman.

**Qualifications** Mr. Lee received a Bachelor of Arts degree from Princeton University and a Master of Business Administration degree from The Chinese University of Hong Kong.

**Committee** Mr. Lee is a member of the Audit and Risk Management Committee.



### Lee Chien

Non-Executive Director

N

**Board Appointment** Mr. Lee was appointed as a non-executive Director in 1988 and is aged 72.

**Competencies and Experience** Mr. Lee is the supervisor of St. Paul's Co-educational College and its Primary School, and a trustee emeritus of Stanford University. Mr. Lee was the chairman of CUHK Medical Centre, a member of the Council of The Chinese University of Hong Kong and an independent non-executive director of Swire Pacific Limited.

Mr. Lee is a member of the founding Lee family and a director of Lee Hysan Company Limited, a substantial Shareholder.

**Qualifications** Mr. Lee received a Bachelor of Science degree in mathematical science, a Master of Science degree in operations research and a Master of Business Administration degree from Stanford University.

**Committee** Mr. Lee is a member of the Nomination Committee.

# Corporate Governance Report

## Non-Executive Directors (continued)



### Lee Tze Hau Michael

Non-Executive Director



**Board Appointment** Mr. Lee joined the Board as a non-executive Director in January 2010, having previously served as a Director from 1990 to 2007. He is aged 64.

**Competencies and Experience** Mr. Lee is currently a director of Oxer Limited, a private investment company. He was previously the chairman of the Board of Stewards of The Hong Kong Jockey Club, an independent non-executive director of Chen Hsong Holdings Limited, Hong Kong Exchanges and Clearing Limited and Trinity Limited, and an independent non-executive director and chairman of OTC Clearing Hong Kong Limited. He was also a member of the Main Board and Growth Enterprise Market Listing Committees of The Stock Exchange of Hong Kong Limited.

Mr. Lee is a member of the founding Lee family and a director of Lee Hysan Company Limited, a substantial Shareholder.

**Qualifications** Mr. Lee received his Bachelor of Arts degree from Bowdoin College and his Master of Business Administration degree from Boston University.

**Committee** Mr. Lee is a member of the Sustainability Committee.

**A** Audit and Risk Management Committee

**R** Remuneration Committee

**N** Nomination Committee

**S** Sustainability Committee

**○** Committee Chairman

## Senior Management



### Choi Yick Lam Andy

BBA (Hons), FCPA, ACA  
Chief Financial Officer

Mr. Choi is responsible for the Group's financial control and treasury, and serves as a director of certain Hysan subsidiaries. Mr. Choi joined the Group in 2019. He has accumulated extensive experience in accounting, financial management, and capital markets through his work with an authorised institution and a global accounting firm. He is aged 43.



### Yip Mo Ching Jessica

BSc (Surveying), MBA, MRICS, MHKIS, RPS  
Director, Office and Residential

Ms. Yip is responsible for managing the office portfolio and residential sales of the Group, and serves as a director of certain Hysan subsidiaries. Prior to joining the Group in 2012, Ms. Yip fulfilled various roles in international consultancies, occupiers and developers. She has extensive experience in the real estate industry. She is aged 49.



### Jim Yau Yee

B.S. (Management)  
Senior General Manager, Retail

Ms. Jim oversees the retail leasing of the Lee Gardens portfolio, including Lee Garden Eight. She also serves as a director of one of the Hysan subsidiaries. With over 20 years of extensive experience in managing retail, commercial, and residential portfolio, she has served in multiple senior capacities within leading property developers. She is aged 50.

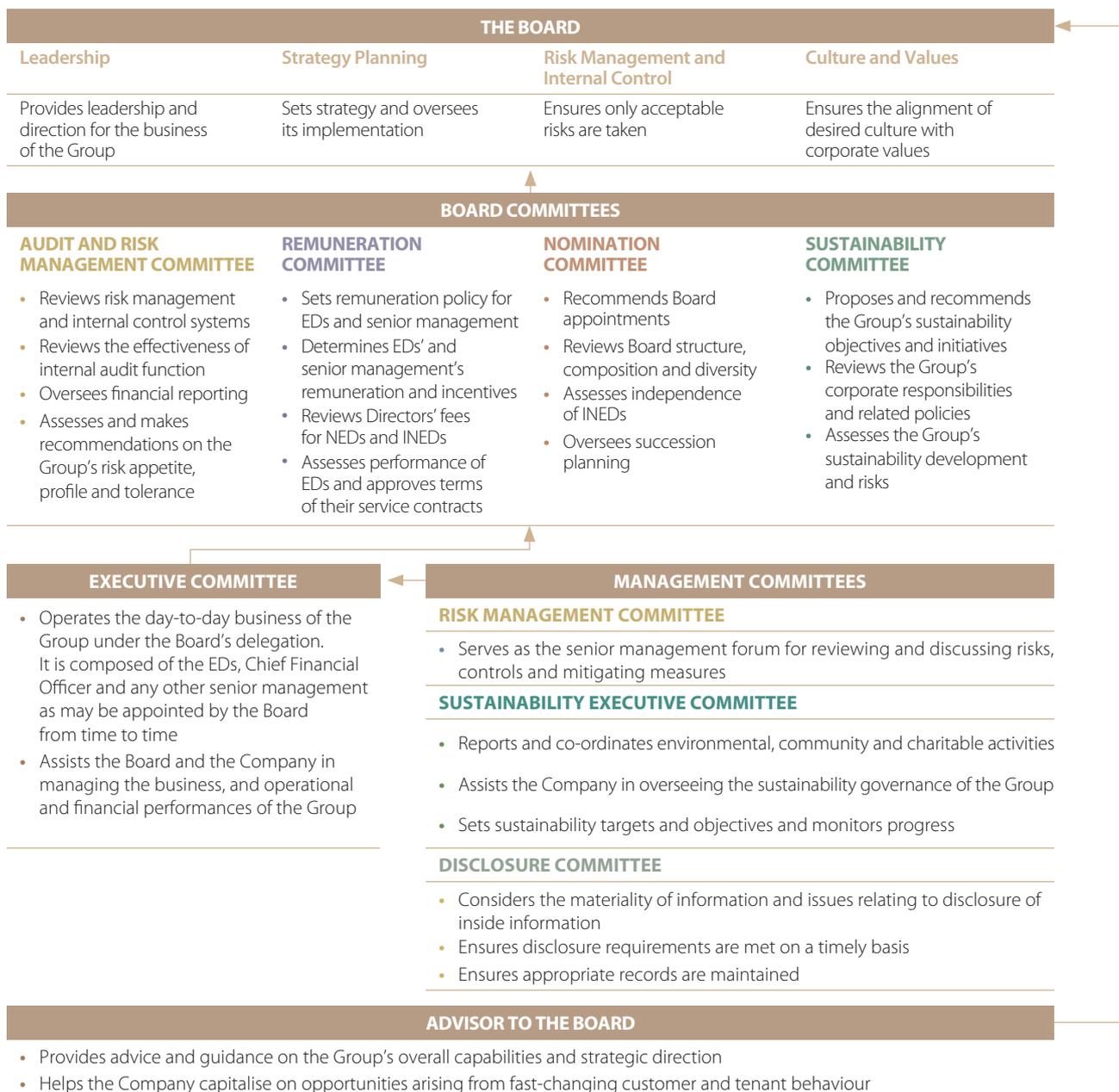
## Our Governance Framework

Guided by our core values, we embrace good corporate governance as the foundation for achieving consistent and sustainable performance. We operate within a strong, clear and effective governance framework that allows the Group to enhance business efficacy with precision and, in turn, support Hysan's strategic objective of optimising sustainable financial returns for its Shareholders. The governance framework comprises, inter alia, the **Corporate Governance Framework** and the **Risk Management and Internal Control Framework**.

### OUR CORPORATE GOVERNANCE FRAMEWORK

#### Corporate Governance Structure

Our Group's business operations and affairs are effectively managed and carried out through a chain of delegated authority, with defined limits and effective internal controls, under the corporate governance structure.



## Corporate Governance Policies and Guidelines

Our corporate governance framework is underpinned by a wide range of corporate policies and guidelines that embed our corporate culture, core values and long-established corporate governance tradition in key aspects of our operations. Such policies and guidelines are subject to regular review by the Board and/or the relevant Board Committees and are updated from time to time in accordance with applicable legal and regulatory requirements as well as market and/or international best practices.

The Code of Corporate Governance (subject to regular review by the Board) serve as the main code governing the Board's commitment to high standards of corporate governance and its roles and responsibilities in supervising the management of the business and affairs of the Group.

By setting the tone from the top, we are fostering a culture that emphasises good corporate governance, compliance, integrity and responsible decision-making – not only at the Board level but throughout the Group. Directors and employees are expected to strictly follow these corporate governance policies and guidelines:

### Governance

- Board Diversity Policy
- Board of Directors Mandate
- Corporate Disclosure Policy
- Code of Corporate Governance
- Nomination Policy
- Onboarding Guidelines for Directors
- Roles and Requirements of Non-Executive Directors and Independent Non-Executive Directors
- Schedule of Corporate Matters Reserved for the Board
- Terms of Reference of each Board Committee

### Risk Management and Internal Control

- Anti-Bribery and Corruption Policy
- Anti-Fraud Policy
- Auditor Services Policy
- Risk Appetite Statement
- Tax Governance Policy
- Whistleblowing Policy

### Stakeholder

- Procedures for Shareholders to Convene General Meetings/Put Forward Proposals
- Shareholders Communication Policy

### Corporate Culture

- Code of Ethics
- Corporate Culture Statement
- Human Rights Policy
- Workforce Diversity Policy

Detailed policies and terms of reference are available on the Company's website: [www.hysan.com.hk/governance](http://www.hysan.com.hk/governance).

# Corporate Governance Report

## CORPORATE GOVERNANCE PRINCIPLES

Our corporate governance framework is tailored in accordance with, and regularly assessed against, legal and regulatory developments, market and international best practices and the Company's needs. It aims to ensure that Directors, management and employees act within a robust chain of delegated authority and powers in alignment with our corporate governance principles.

### Our Corporate Governance Principles



## LEADERSHIP

### BOARD GOVERNANCE

#### Main Roles and Responsibilities of the Board

The Board is responsible for the stewardship of the Group and for ensuring the effectiveness and adequacy of the Group's governance framework. The Board is committed to high standards of integrity and ethics and is governed by a formal **Board of Directors Mandate**. The main roles and responsibilities of the Board are as follows:

- Setting business goals and strategies in the best interests of the Group and overseeing their implementation;
- Determining the Group's risk appetite and evaluating the risks that the Group is willing to take in pursuit of its strategic missions and business objectives;
- Overseeing and ensuring the adequacy and effectiveness of the Group's risk management and internal controls system;
- Supervising the corporate governance and financial performance of the Group;

- Defining, evaluating and refining the Group's VMVs and strategies and ensuring their alignment with the corporate culture; and
- Fostering the desired corporate culture and core values.

To retain control of key decisions and ensure a clear division of responsibilities between the Board and management, the **Schedule of Corporate Matters Reserved for the Board** has been adopted to set out the specific matters reserved for the Board's consideration and approval and is subject to annual review by the Board.

### Delegation Between the Board and the Board Committees

The Board is the governing body of the Group and has the responsibility of shaping business goals and strategies in the best interests of the Company and its Shareholders as a whole. In carrying out its duties, the Board may, within defined limits and authority, delegate tasks to its Board Committees from time to time.

The Board has four Board Committees, namely the Audit and Risk Management Committee, the Remuneration Committee, the Nomination Committee and the Sustainability Committee. Each Board Committee operates under specific written terms of reference and reports to the Board on their decisions and recommendations on a regular basis.

All Board Committee meetings are conducted prior to full Board meetings to ensure that all vital matters are reported to the Board in advance, considered thoroughly and decided upon by the full Board in a timely manner.

Each Board Committee has access to independent professional advice as and when required and is supported by the company secretary of the Company ("Company Secretary"). The procedures for seeking independent professional advice have also been enhanced to facilitate Board access to such advice.

Full details of the Board Committees' activities during the year are set out in their respective reports:

- "Audit and Risk Management Committee Report" on pages 117 to 123
- "Remuneration Committee Report" on pages 124 to 135
- "Nomination Committee Report" on pages 136 to 140
- "Sustainability Committee Report" on pages 141 to 145

The terms of reference of each Board Committee were reviewed in November 2025, and amendments were made to the term of reference of the Nomination Committee, which took effect on 1 January 2026. The latest versions of the terms of references are available on the Company's website ([www.hysan.com.hk/governance](http://www.hysan.com.hk/governance)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)).

### Division of Duties between the Board and the Management

#### The Board and the Management

The day-to-day operation of the Group's business is delegated to the management, which is led by the Executive Committee. The Executive Committee is entrusted with the task of implementing business goals and strategies as determined by the Board.

Executive Committee members include the executive Chairman ("Chairman"), the executive Director and Chief Operating Officer ("ED & COO"), the Chief Financial Officer ("CFO") and any other senior management of the Company as may be appointed by the Board from time to time. The terms of reference for the Executive Committee were reviewed in 2025.

# Corporate Governance Report

To support Hysan’s strong governance framework and the business and operational needs of the Group, three governance-related management level committees have been established:

- the Risk Management Committee;
- the Sustainability Executive Committee; and
- the Disclosure Committee.

## BOARD SIZE, COMPOSITION AND APPOINTMENT

As at 31 December 2025 and up to the date of this report, the Board was composed of 10 Directors, including the Chairman, the ED & COO, five INEDs and three NEDs.

| Category | Directors                     | Length of                        |                               |
|----------|-------------------------------|----------------------------------|-------------------------------|
|          |                               | Tenure as at<br>31 December 2025 | Current Period of Appointment |
| EDs      | Lee Irene Yun-Lien (Chairman) | 14.8 years                       | 3 years                       |
|          | Lui Kon Wai                   | 4.1 years                        | 2 years                       |
| INEDs    | Chung Cordelia                | 2.6 years                        | 2 years                       |
|          | Churchouse Frederick Peter    | 13.1 years                       | 1 year                        |
|          | Wong Ching Ying Belinda       | 7.0 years                        | 2 years                       |
|          | Young Elaine Carole           | 3.8 years                        | 1 year                        |
|          | Zhang Yong                    | 1.1 year                         | 1 year                        |
| NEDs     | Lee Anthony Hsien Pin         | 31.8 years                       | 1 year                        |
|          | Lee Chien                     | 37.7 years                       | 3 years                       |
|          | Lee Tze Hau Michael           | 16.0 years                       | 1 year                        |

The Board considers that this composition is well balanced in terms of experience, competencies, expertise, diversity and skills, with a strong independent element ensuring the impartiality of the Board’s decision-making process and oversight of management. Such a balanced composition also provides the checks and balances necessary to safeguard the interests of the Shareholders.

Biographies of the Directors, including the relationships among them, are set out from pages 56 to 64, and are also available on the Company’s website: [www.hysan.com.hk/about/leadership](http://www.hysan.com.hk/about/leadership).

Ms. Lee Irene Yun-Lien, Ms. Chung Cordelia, Ms. Wong Ching Ying Belinda and Mr. Lee Chien will retire by rotation at the forthcoming AGM to be held on 5 June 2026 (“2026 AGM”). These Directors, being eligible for re-election, will offer themselves for re-election at the 2026 AGM in accordance with Article 114 of the articles of association of the Company (“Articles”).

**Strong Board with sufficient independent oversight.  
Chairman welcomes diverse views.**

Directors’ comments received in 2025 Board Evaluation

Details of the Directors standing for re-election are set out in the AGM circular to the Shareholders. None of these Directors has a service contract with the Company or any of its subsidiaries that is not determinable by the Group within one year without payment of compensation (other than statutory compensation). Their proposed re-election will be considered by separate resolutions.

The Board, in accordance with the recommendation of the Nomination Committee, has determined that the size of the Board is adequate and effective for discharging its duties and responsibilities, and recommends the re-election of Ms. Lee Irene Yun-Lien, Ms. Chung Cordelia, Ms. Wong Ching Ying Belinda and Mr. Lee Chien, as Directors at the forthcoming 2026 AGM.

## BOARD DIVERSITY

### Board Diversity

Hysan recognises the importance of diversity as a contributor to Board effectiveness and the long-term success of the Group. Diversity and inclusiveness provide the Board with a wider knowledge base and bring in new insights and perspectives, which improve decision-making and the ability to adapt to new business challenges. In accordance with the Board Diversity Policy, which sets out our approach to achieving diversity on the Board, the Nomination Committee annually reviews and reports to the Board on the following:

- The structure, size and composition of the Board; and
- The diversity of background (including, but not limited to, gender, age, cultural and educational background and ethnicity), experience, skills and length of service with the Board.

The Nomination Committee will also consider Board diversity as part of its annual evaluation of the structure and composition of the Board.

During the year, the Board Diversity Policy was reviewed to assess its implementation and effectiveness, as well as progress on achieving measurable objectives (in particular, gender diversity at the Board), as set forth in the CG Code.

**Well diversified in terms of gender, a wide spectrum of expertise and experience.**

Directors' comments received in 2025 Board Evaluation

## GENDER DIVERSITY AT BOARD LEVEL

The Board recognises that gender-diverse leadership encourages better governance, provides a broader range of perspectives in the decision-making process and ultimately increases corporate performance and competitiveness.

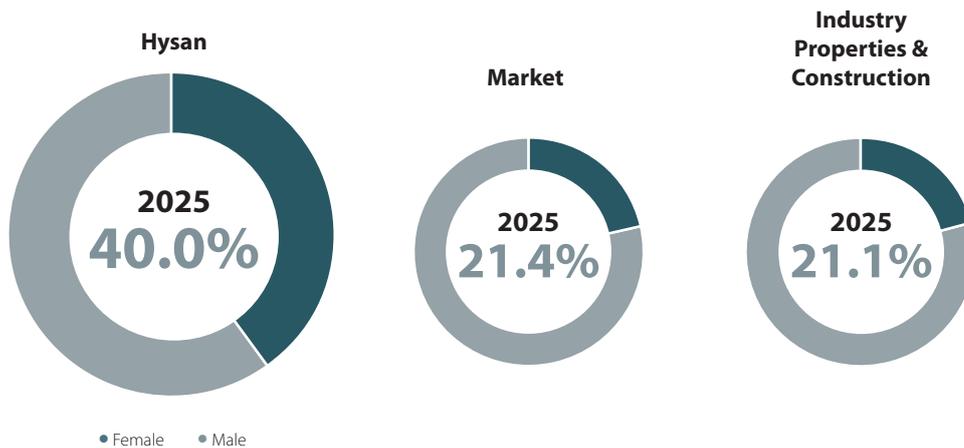
Gender diversity has been made one of the formal factors to consider in our Board refreshment and succession planning. The Nomination Committee and the Board have considered the ability of each potential candidate to contribute towards the Board's responsibilities and, in particular, Hysan's diversity agenda, in order to develop a pipeline of potential successors for achieving our gender diversity target.

### Gender Diversity Target and Process

Demonstrating its commitment to diversity and striving for continuous improvement, Hysan in 2022 pledged to achieve and maintain a minimum of 33% female representation on the Board, with the ultimate goal of achieving gender parity at the Board level. This gender diversity target was set as a measurable objective in the Board Diversity Policy last reviewed in November 2025. The Nomination Committee reviews, on an annual basis, Hysan's measurable objectives and the progress made towards achieving them, as well as the opportunities to make further improvements or accelerate progress.

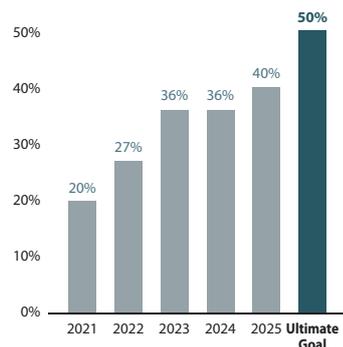
Following board refreshment in recent years, the percentage of female representation at Board level increased from 20% in 2021 to 40% in 2025, maintaining a high level of female board representation among Hong Kong listed companies. Having exceeded our measurable objective of 33% female Directors, we will continue our diversity journey towards the ultimate goal of gender parity.

### Female Directorship across HKEx Issuers



Source: HKEx Board Diversity Repository as at the date of this report ([www.hkex.com.hk/eng/BoardDiversity/index.htm](http://www.hkex.com.hk/eng/BoardDiversity/index.htm))

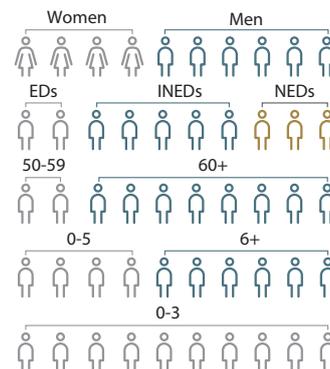
### Our Gender Diversity Progress



### Our Board composition and diversity:

**Key highlights: Female representation of 40%/INED representation of 50%**

- Gender diversity
- INED ratio
- Age
- Board Tenure (Years)
- Other Public Company Directorship(s) (Number of Companies)



## Board Expertise

The Board recognises the importance of having a diverse range of skills and expertise among the Directors that align with our strategy, governance, and business needs. This enables the Board to discharge its duties and responsibilities effectively in pursuing the Group’s strategic objectives and achieving sustainable growth of the Group.

To ensure the Board continues to possess the necessary and relevant skills, the Nomination Committee conducted a detailed review and refinement of the Board skills matrix, updating key skill categories, specific expertise and their relevance to the Group. Each Director’s skills and experience were reviewed against the updated matrix to confirm coverage and identify any potential gaps. The table below highlights the skillset mix of our Directors and the valuable experience and expertise they contribute to our business, supporting the sustainable and balanced development of the Group.

| Category  |                               | Skill/Experience  | Relevance to Hysan   | Combined (expertise) |
|-----------|-------------------------------|---|--|----------------------|
| Strategic | Strategy                      | Experience in defining and implementing strategic objectives within sizable organisations. Skilled in assessing business plans and driving execution to achieve organisational goals.   | Facilitates the development and execution of Hysan’s strategic objectives, driving long-term success while fostering the desired corporate culture.  |                      |
|           | International and China       | Strong background in international economics and relations, with specific expertise in Chinese Mainland. Capable of navigating the complexities of cross-border business operations and fostering international partnerships. | Provides insights into international and Chinese Mainland economic trends and relations, identifying opportunities for sustainable growth aligned with Hysan’s long-term strategy.   |                      |
|           | Financial Acumen              | Deep understanding of financial drivers and metrics that influence business performance. Proven experience in monitoring business performance and evaluating the financial implications of strategic decisions.               | Leverages experience in monitoring business performance, evaluating the financial impact of strategic decisions, analysing financial statements, and assessing financial viability to support Hysan’s financial health and strategic objectives.   |                      |
| Industry  | Real Estate (Hong Kong/China) | Extensive experience as a senior executive in property investment, development, or facilities management. Insightful knowledge of real estate investment opportunities and market trends.                                     | Facilitates the review of Hysan’s business development and operations across property investment, development, asset management and facilities management. Provides insights into real estate investment opportunities and emerging market trends. |                      |
|           | Retail and Customers          | Senior executive experience in major retail, consumer products, e-commerce, and distribution sectors. Skilled in enhancing customer engagement and driving sales growth through innovative strategies.                        | Offers extensive experience in retail (both physical and digital), customer engagement, and service management strategies, supporting the efficient delivery of Hysan’s retail portfolio curation and marketing initiatives.                       |                      |

# Corporate Governance Report

| Category                        | Skill/Experience  | Relevance to Hysan  | Combined (expertise)  |
|---------------------------------|---|---|---|
| Control & Governance            | Capital Management<br>Experience in the financial or corporate sector with a focus on overseeing financial transactions and investment management. Proficient in capital allocation, corporate finance and capital markets.                                       | Provides oversight, scrutiny and advice on capital management strategies, corporate finance matters and capital markets transactions.   |    |
| Governance & Risk Management    | Expertise in identifying and anticipating organisational risks, monitoring risk management frameworks, ensuring compliance, and maintaining high standards of corporate governance.   | Provides oversight of the implementation and ongoing effectiveness of a robust risk management and internal controls framework, fulfilling a critical governance responsibility of the Board. |    |
| Sustainability & Climate Change | Senior executive experience in addressing environmental and climate-related issues, with a strong track record in leading corporate social responsibility initiatives.  | Brings expertise in driving sustainability and climate strategy, overseeing ESG risks and opportunities, and ensuring adherence to reporting standards and best practices.                    |   |
| People and Culture              | Senior executive experience in people management and in building a strong corporate culture, with a proven track record of talent development and succession planning aligned with organisational goals.  | Champions a positive culture and integrates people management with Hysan's core values, supporting long-term sustainable performance and leadership development.                              |  |
| Technology                      | Proficient in the digital and technology sectors, including tech companies and technology-heavy institutions, with experience in managing technology-related projects, information security and data privacy governance, ensuring compliance with best practices. | Provides strategic insights on digital transformation, technology risk management, and robust governance of information security and data privacy.  |  |

● Extensive ● Moderate

**The Board comprises individuals with diverse and relevant knowledge in finance, real estate, China, the digital economy, and retail, essential for the long-term future of the Company.**

Directors' comments received in 2025 Board Evaluation

To enhance the Group's strategy and overall capabilities in addressing new business trends and emerging generational shifts, the Board invited Ms. Li Xinzhe Jennifer to sit as an advisor on the Board in 2018.

Recognising the rapid evolution of consumer preferences and advancements in digital technology within the retail sector, the Company appointed Ms. Chung Cordelia as an INED in 2023, leveraging her extensive multinational experiences in information technology. The Board's skills matrix was further enhanced with the appointment of Mr. Zhang Yong as an INED in December 2024. Mr. Zhang contributes valuable expertise in consumer behaviour, the evolving business landscape, digital economy and technological trends.

Upon due consideration of the Company's business needs and long-term strategic objectives, the Nomination Committee is of the view that the existing level of expertise within the skills matrix is adequate. The Company is committed to continually identifying opportunities to further enrich the Board's skills matrix, ensuring alignment with its purpose, values, strategy, and desired culture.

### **Workforce Diversity**

Hysan believes that a diverse workforce and an inclusive culture support Hysan in creating a dynamic environment that leads to higher performance and improved well-being. We are committed to fostering an inclusive, diverse and supportive workplace where all employees, regardless of gender, background, skills and experience, are valued, respected and treated fairly with equal access to opportunities. The Company adopted a Workforce Diversity Policy in November 2024 (which was last reviewed in November 2025) which outlines our approach and commitment to inclusion and diversity in the workforce (including senior management).

Considering the nature of Hysan's business and the markets in which it operates, gender diversity is the more common and significant issue for Hysan. As one of the measurable objectives under our Workforce Diversity Policy, Hysan commits to maintaining at least 40% female employees (including senior management). The Nomination Committee shall review the Company's workforce diversity, discuss and consider the measurable objectives set for implementing this Policy and the progress made towards achieving these objectives (in particular, the gender diversity targets) annually. The Nomination Committee shall also conduct regular reviews to identify any gender pay gaps and ensure equal pay for work of equal value.

As at 31 December 2025, we had 66.7% of senior management positions filled by women and a 38:62 female-to-male ratio in the overall workforce (excluding senior management), which was largely in line with the industry norm. The Company will strive to maintain at least 40% female employees (including senior management).

In order to attract and retain candidates from the widest possible pool of available talent, the Workforce Diversity Policy will be applied in the recruitment and promotion processes of the Group. The Group has also implemented programmes that assist employees in their personal growth and skills development to prepare them for potential promotions to senior management positions.

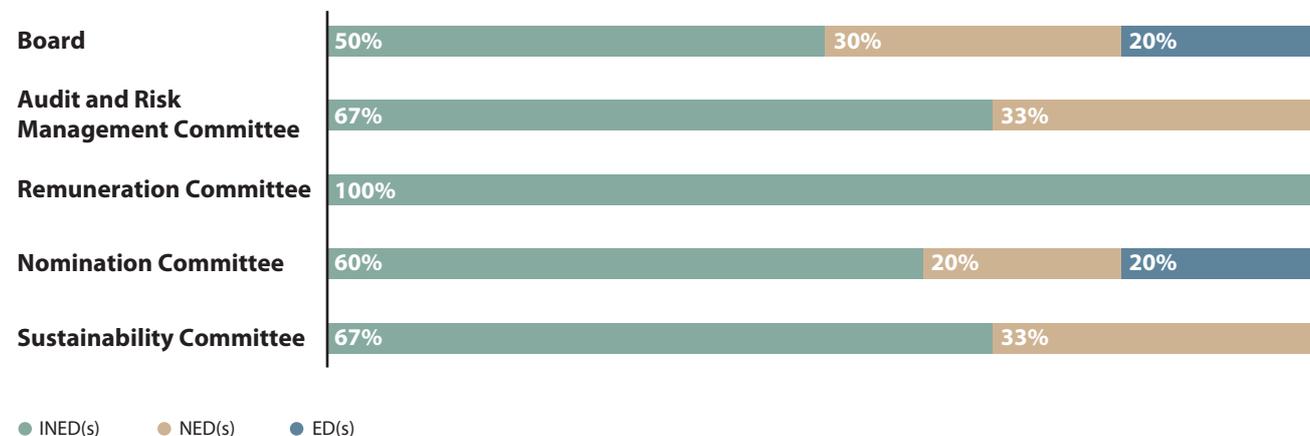
Please refer to our Sustainability Report 2025 for further details on Diversity and Inclusion.

# Corporate Governance Report

## BOARD INDEPENDENCE

The Company recognises that Board independence is one of the cornerstones of good corporate governance. As at 31 December 2025, five out of our 10 Directors were INEDs, exceeding the Listing Rules requirement that at least one-third of the Board (and not less than three Directors) shall be INEDs.

### Independence Weighting



### Criteria of Independence

- Clearly set out in our Code of Corporate Governance
- Free from any business or other relationship that may interfere with the exercise of their independent judgment

The independence assessment of each of the INEDs is based on the independence criteria set out in the independence guidelines of the Listing Rules and our Code of Corporate Governance. We also consider and reference major proxy advisors' voting recommendations and guidelines in approaching the issue of INED independence. The assessments are carried out in advance of their appointment, annually, and at any time when necessary or appropriate, including through the following:

- INED nominations and the appointment process;
- Annual review of the structure, composition and balance of the Board in terms of its independence ratio;
- Disclosure of the number and nature of offices held in listed public companies and organisations, along with any other significant commitments;
- Annual independence confirmation from each INED;
- Full disclosure in annual reports of cross-directorships or other business relationships that may interfere with Directors' independence;
- Potential conflicts of interest reviewed by the Nomination Committee annually with recommendations on appropriate actions to take; and
- Confirmation by each Director and alternate Director of his/her other directorships, major appointments, and interests to the Company, twice a year.

## Independence of Directors

The Company received written confirmations from all INEDs regarding their independence and that of their immediate family members for the year ended 31 December 2025. The Nomination Committee has carried out a detailed review of the Directors' independence on a case-by-case basis and considers each of the five INEDs to have been independent throughout the year under review:

| Name                       | Management | Independent | Not Independent | Reason for Independence Status  |
|----------------------------|------------|-------------|-----------------|---|
| Chung Cordelia             |            | ✓           |                 | <ul style="list-style-type: none"> <li>No business relationships, family ties, past employment or other relationships with the Group or management that would affect independence</li> <li>No significant shareholding</li> </ul> |
| Churchouse Frederick Peter |            | ✓           |                 |   |
| Wong Ching Ying Belinda    |            | ✓           |                 |   |
| Young Elaine Carole        |            | ✓           |                 |   |
| Zhang Yong                 |            | ✓           |                 |   |

## Tenure of INEDs

- The Nomination Committee considered the INEDs' tenure, noting that Mr. Churchouse Frederick Peter has served as an INED for more than nine years.
- With a career spanning more than 30 years in Asian and global securities markets, Mr. Churchouse Frederick Peter brings expertise and hands-on experience in property investment, asset management, research and valuation, offering exceptional value to the Board. His strategic insights and deep market understanding are instrumental in guiding the Group through periods of economic uncertainty, underpinning critical financial and risk management decisions, particularly in the realms of investment and capital allocation. Mr. Churchouse's profound knowledge of asset valuation and financial analysis plays a central role within the Audit and Risk Management Committee in advising the Board on risk management strategies and ensuring the integrity of the Group's fair value assessment and financial reporting, which are essential for maintaining trust with Shareholders and the broader investment community.
- The Board and the Nomination Committee are also of the view that Mr. Churchouse has exercised independent judgement and consistently demonstrated a healthy level of professional scepticism and has not refrained from asking probing questions and challenging management's views and recommendations. There is no evidence to suggest that his tenure has had any impact on his independence. In addition, the unique expertise of Mr. Churchouse in real estate, capital management, financial acumen, together with his comprehensive understanding of the operations of the Company, enable him to provide valuable and objective guidance for the Group's business.
- After considering the above reasons and the relevant independence assessment requirements set out in Rule 3.13 of the Listing Rules, the Nomination Committee formed the view that, despite having served on the Board for over nine years, Mr. Churchouse remains independent, taking into account his impartial views and comments expressed during the Board and Board Committee meetings, his positive and significant contributions, deep insights and guidance on the Company's strategies and business development.

# Corporate Governance Report

## Other Directorships

- Ms. Chung Cordelia is currently an independent non-executive director of Hang Seng Bank Limited (“Hang Seng”) (a substantial shareholder of a subsidiary of the Company and thus a connected person of the Company). Under Rule 3.13 of the Listing Rules on independence assessment, an independent non-executive director of a core connected person is specifically excluded from the factors that would affect independence. It is considered that Ms. Chung’s directorship with Hang Seng in her capacity as an independent non-executive director would not affect her independence. Ms. Chung is thus able to fulfil the relevant independence requirements of the Listing Rules and is accordingly entitled to vote and be counted in the quorum for any transactions with the HSBC group (including the Hang Seng group). In addition, with unique expertise in information technology and the building industry, both of which are relevant to the Group’s business, Ms. Chung would provide valuable and independent guidance for the Group’s business.
- Ms. Chung Cordelia held a cross-directorship with Ms. Lee Irene Yun-Lien, as they both served on the boards of the Company and Hang Seng, until the retirement of Ms. Lee Irene Yun-Lien as the independent non-executive chairman of Hang Seng on 8 May 2025. Having regard to the fact that Ms. Chung serves in an independent non-executive capacity and does not hold any shares in either company, the cross-directorship did not undermine the independence of Ms. Chung with respect to her directorship in the Company.

Following the independence assessment of each INED, the Nomination Committee and the Board are of the view that all INEDs were and remain independent and that there were no business or other relationships or circumstances which are likely to affect the judgement of any of the INEDs. The INEDs continue to bring an independent view to our Board discussions and strategic oversight, providing constructive challenge for management.

## Mechanisms to Ensure Independence

### Conflict Management

Apart from the aforementioned independence assessment, the following measures have also been taken to ensure all decisions and actions are in the best interests of the Company and its Shareholders:

- Strict compliance with our Code of Ethics, which aims to avoid conflicts of interest;
- Declaration of potential conflicts of interest;
- Voluntary abstention by Directors from discussions and voting on matters related to them (regardless of the absence of any potential conflicts upon appropriate assessment) after due declaration of interest in accordance with the Companies Ordinance;
- Separate meetings among INEDs, without the presence of EDs or NEDs;
- Full Board approval of connected transactions, with transactions exempt under the Listing Rules required to be reported to and confirmed by the full Board each quarter after obtaining the Executive Committee’s approval;
- Reminders to the Directors from the Company Secretary twice a year on compliance with the relevant Listing Rules requirements on connected transactions; and
- Independent professional advice, as and when required by individual Directors.

Please also refer to the “Directors’ Disclosure on Conflicts of Interest” section below for further details.

## Independent Views and Input Available to the Board

Apart from the INED nomination and appointment process as well as the independence assessments mentioned above, the Company has established mechanisms to ensure that Directors will be given adequate opportunities and channels (formal or informal) to communicate their independent views and input in an open and candid manner and, where necessary, in a confidential manner. Such mechanisms have been incorporated in the following aspects of our corporate governance framework and are subject to regular review by the Board:

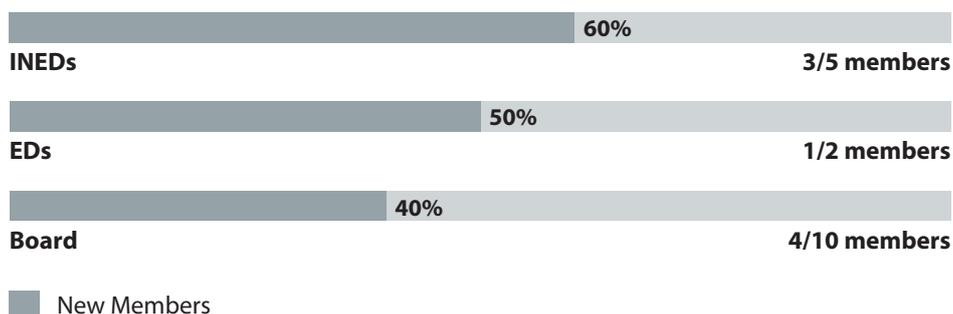
- Proper meeting arrangements and procedures to facilitate open and constructive discussions as well as informed and thorough consideration of relevant issues;
- A Board culture that encourages Directors with different views to raise their concerns and to exercise independent judgement;
- Board's full access to senior management, management's updates, and availability of all material information on performance and key activities and projects;
- Communication outside of the boardroom, including separate meetings with the Chairman and/or senior management, and interactions with management and other Board members;
- Utilisation of the digital board portal to foster timely communication among Directors and senior management;
- Board evaluation on an annual basis; and
- Board access to independent professional advice.

In 2025, the Chairman held one meeting with the INEDs without the other Directors and senior management present, in addition to the regular Board meetings. This meeting served as an effective platform for the Chairman to hear and understand the INEDs' perspectives on issues that included corporate governance improvements, Board effectiveness, and any other issues they wished to discuss in a private setting.

## BOARD REFRESHMENT

With the objective of striking a balance between fresh ideas and perspectives and a deep understanding of the Company's history, culture and long-term strategies, the Board has been refreshed in an orderly and forward-looking manner during the last few years. As part of our ongoing efforts to gradually refresh the Board, the Board saw four new appointments (three INEDs and one ED) and three retirements since 2021. This initiative aims to bring new skills and perspectives to support the Group's strategy and governance as well as enhancing the Board's diversity.

### From 2021 to 2025 Percentage of new members



# Corporate Governance Report

## Nomination

Hysan believes that a proper and detailed nomination process ensures the nomination of Directors who are well-suited to advance the best interests of the Group, facilitates smooth transitions, and ensures continual refreshment of the Board, whereas the reshuffling of Board Committees provides a balance between continuity and fresh perspectives.

Based on our Nomination Policy and Board Diversity Policy, the Nomination Committee considers a variety of factors in assessing the suitability of a proposed candidate, including, among others, the following:

- Reputation for integrity;
- Accomplishments, experience and reputation in the real estate industry and other relevant sectors;
- Skillset and expertise relevant to the Company's business and in complementing and advancing the strategic goals of the Company;
- Commitment and attention to the Company's business, including devoting adequate time for preparation and participation in meetings, training sessions and other Board or Company associated activities;
- Diversity in all aspects including, but not limited to, gender, age, cultural and educational background, ethnicity, experience, skills, knowledge and length of service;
- Ability to assist and support management and make significant contributions to the Company's success;
- Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules (for INEDs); and
- Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The nomination process has been, and will continue to be, conducted in accordance with these unique policies. The Board also reviews these policies, including their implementation and effectiveness, to ensure compliance with regulatory requirements and sound corporate governance practices.

## Appointment and Induction

In considering the appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of the individual, evaluate the candidate using the same criteria regardless of the source of the candidacy, and make recommendations for the Board's consideration and approval.

In order to ensure that the Directors are committed to allocating sufficient time and attention to the affairs of the Group, all Directors are engaged by formal letters of appointment, which set out clearly the terms and conditions of their appointments. Directors (including all NEDs and INEDs) serve for a term of three years and are subject to rotation under the Articles.

The Board has adopted comprehensive Onboarding Guidelines for Directors, which include a tailored induction programme that gives new Directors an understanding of the Group, its businesses and operations, risks and challenges, corporate culture and Board governance, with due regard to the Director's unique background, skills, experience and perspective. The induction programme includes an introductory session with the Company Secretary, individual meetings with the Chairman, Directors and senior management, portfolio visits, and meetings with the Company's external advisors. Individual briefings are also arranged on specific topics such as Directors' responsibilities and the Group's business.

### Priorities of our Induction Programme

To provide an overview of

- Hysan's corporate culture and its VMVs;
- the Group's strategies and challenges;
- the Group's business and key risks;
- the Group's financial and capital management;
- the Group's corporate and organisational structure;
- the Board's culture, governance and dynamics; and
- the legal and regulatory obligations of a Director.

To familiarise new Directors with the Board and senior management

- meetings with the Chairman, Committee Chairmen and senior management; and
- an introductory session with the Company Secretary and training by external advisors.

### Re-election

In considering the re-appointment of any existing member(s) of the Board, the Nomination Committee shall review the retiring Director's time commitment, contributions, ability to discharge his/her responsibilities effectively, as well as the selection criteria set out in the Nomination Policy and the Board Diversity Policy. The Nomination Committee will then make recommendations to the Board for its consideration, with the Board determining whether to recommend the proposed candidates for re-election at the AGM.

The Directors are subject to re-election at the first AGM following their appointment. Every Director will be subject to retirement by rotation at least once every three years under the Articles. Retiring Directors are eligible for re-election at the AGM during which they retire. There is no cumulative voting in Directors' elections. Each Director shall be elected by separate resolutions.

### Ongoing Review by the Nomination Committee

The Nomination Committee reviews the structure, size, composition, commitment, board skills matrix, independence and diversity of the Board and Board Committees from time to time, and undertakes a comprehensive review of the gender, age, tenure, cultural, educational and professional background, skills, knowledge and experience of each Director. The most recent review was conducted in November 2025.

The Nomination Committee was satisfied with the structure, size, composition, commitment, board skills matrix, independence and diversity of the Board and the Board Committees.

Recognising the evolving and escalating requirements for the Sustainability Committee, the Nomination Committee also reviewed and considered the composition of the Sustainability Committee to ensure that its members possess the appropriate skills and competencies to oversee strategies for addressing ESG (including climate-related) risks and opportunities.

## Corporate Governance Report

While diversity in terms of length of service with the Board would in fact provide a proper balance between an understanding of the Group's practices and fresh perspectives, and despite the conclusion of the Nomination Committee that tenure would not affect our INEDs' independence, the Nomination Committee noted that INEDs' tenure is an increasing regulatory and governance concern to be addressed. The Nomination Committee has methodically built up a panel of INEDs with diverse backgrounds, seasoned industry experience, expertise and skills matrix and has refreshed the Board in a gradual and orderly manner to ensure continuity and effective oversight.

In view of the new requirements on long-serving INEDs under the CG Code, the Nomination Committee will continue to:

- Ensure gradual and orderly Board refreshment to maintain continuity and effective governance.
- Proactively identify and engage potential candidates to support a smooth succession and mitigate the potential loss of experience and expertise resulting from tenure-related regulatory requirements.

The Nomination Committee concluded that, for succession planning and long-term growth, the Board should strengthen expertise in real estate, retail and consumers, finance and accounting. Priority will also be given to candidates with strong finance and risk management experience, considering the expertise of long-serving and retired INEDs. Board refreshment should also promote diverse perspectives and support Hysan's goal of gender parity.

### Board Committees Refreshment

To maintain a balance between continuity and fresh perspectives while considering the evolving demands of the Board Committees, the Nomination Committee and the Board also considered and approved, the following changes to the composition of certain Board Committees:

With effect from the conclusion of the 2025 AGM:

- Mr. Poon Chung Yin Joseph ceased to be the chairman of the Audit and Risk Management Committee and a member of the Nomination Committee upon his retirement as an INED on the same day.
- Mr. Churchouse Frederick Peter was re-designated as the chairman of the Audit and Risk Management Committee.
- Ms. Wong Ching Ying Belinda was appointed as a member of the Nomination Committee.

## EFFECTIVENESS

Board effectiveness stems from achieving the right composition, size, diversity, commitment and independence. This can be attained through a proper board process, ongoing reviews and a board evaluation process.

### DIRECTOR'S TIME COMMITMENT AND CONTRIBUTION

Board effectiveness is attained through the significant commitment and contributions of each Director. The Nomination Committee reviews and assesses each Director's time commitment and contribution to the Board in a manner that aligns with their role and responsibilities, as well as the Director's ability to discharge his/her responsibilities effectively, on an annual basis. The assessment process, including the assessment criteria, is set out in the "Nomination Committee Report" on pages 136 to 140.

## Strong Engagement and Sufficient Time Commitment

Our Directors, in particular our INEDs, demonstrated strong engagement and sufficient commitment to the Company's affairs throughout the year. All Directors have also confirmed that they committed sufficient time and attention to the affairs of the Group throughout their tenure during the year ended 31 December 2025.

### Directors' Attendance at Meetings

As reflected in their high level of attendance in Board and Board Committee meetings during the year, the Directors continued to participate extensively in the Board's discussions and decisions, and Company affairs in 2025. The INEDs also held separate meetings with the Chairman to discuss Board and relevant matters.

The following table shows Directors' attendance at meetings.

| Directors                                | Board <sup>1</sup> | Audit and Risk       |                        |                      |                          | 2025 AGM |
|--|--------------------|----------------------|------------------------|----------------------|--------------------------|----------|
|  |                    | Management Committee | Remuneration Committee | Nomination Committee | Sustainability Committee |          |
| <b>Lee Irene Yun-Lien</b>                | 5/5                | 4/4 <sup>2</sup>     | 1/1 <sup>2</sup>       | 1/1                  | 2/2 <sup>2</sup>         | 1/1      |
| <b>Lui Kon Wai</b>                       | 5/5                | 4/4 <sup>2</sup>     | –                      | –                    | 2/2 <sup>2</sup>         | 1/1      |
| <b>Chung Cordelia</b>                    | 5/5                | –                    | 1/1                    | 1/1                  | –                        | 1/1      |
| <b>Churchouse Frederick Peter</b>        | 5/5                | 4/4                  | 1/1                    | 1/1                  | –                        | 1/1      |
| <b>Poon Chung Yin Joseph<sup>3</sup></b> | 3/3                | 2/2                  | 1/1                    | –                    | –                        | 1/1      |
| <b>Wong Ching Ying Belinda</b>           | 5/5                | –                    | –                      | 1/1                  | 2/2                      | 1/1      |
| <b>Young Elaine Carole</b>               | 5/5                | –                    | –                      | –                    | 2/2                      | 1/1      |
| <b>Zhang Yong</b>                        | 5/5                | 4/4                  | –                      | –                    | –                        | 1/1      |
| <b>Lee Anthony Hsien Pin</b>             | 5/5                | 4/4                  | –                      | –                    | –                        | 1/1      |
| <b>Lee Chien</b>                         | 5/5                | –                    | –                      | 1/1                  | –                        | 1/1      |
| <b>Lee Tze Hau Michael</b>               | 5/5                | –                    | –                      | –                    | 2/2                      | 1/1      |

Notes:

1. Included a dedicated half-day Board meeting held in November 2025 to discuss the Group's business plans and long-term directional strategy.
2. EDs are invited to present updates and/or answer relevant questions in order to facilitate the decision-making process. EDs are expressly excused from discussions of their own compensation packages during Remuneration Committee meetings.
3. Mr. Poon Chung Yin Joseph retired as an INED effective from the conclusion of the 2025 AGM. The attendance figures shown for him reflect the number of meetings held during his tenure in 2025 and his attendance at those meetings.

During the year, EDs were full-time employees of the Company and devoted substantially all of their working time to the Company's affairs. NEDs and INEDs each spent an estimated 4 hours per Board meeting, 2 hours per Board Committee meeting and 1 hour for the annual general meeting, with the total annual time commitment varying according to the number of meetings attended and Board Committee appointments held. Committee chairmen spent an additional 2 hours for each committee meeting in preparation and follow-up in respect of their respective committees. The average annual hours contributed by NEDs and INEDs were approximately 36 hours per Director, with a range of 30 to 48 hours.

**Highly engaged Board with strong Chairman leadership.  
Members are highly qualified and willing to contribute.**

Directors' comments received in 2025 Board Evaluation

# Corporate Governance Report

## Active Participation

During the year, the Board continued to operate effectively through the active engagement and participation of all Directors. Each Director devoted sufficient time and attention to Board matters, demonstrating high commitment by thoroughly considering Board papers, business proposals, and monthly updates from management prior to meetings. Directors contributed actively to discussions, raised relevant concerns, and exercised independent judgment in the discharge of their duties. Constructive advice and recommendations were provided to management on key operational and strategic matters, which enhanced decision-making processes and reinforced the Board's overall effectiveness in overseeing the Company's affairs.

## Other Directorships

None of our Directors, individually, held directorships in more than three public companies (excluding Hysan) as at 31 December 2025, and all of them have confirmed that they devoted sufficient time to the affairs of the Company.

After reviewing each Director's other directorships, engagements with listed public companies and organisations, and other significant commitments, the Nomination Committee concluded that all Directors have dedicated sufficient time and made significant contributions to the Board during the year.

## Other Offices and Commitments

Directors disclose to the Company the number and nature of offices held in listed public companies and organisations and other significant commitments, together with the respective time engagement involved, twice a year. They also inform the Company promptly whenever there are changes regarding their other offices and commitments.

## Continuous Professional Development

Directors undertake continuous professional development ("CPD") training to keep abreast of the latest industry trends, and gain knowledge and skills concerning their respective areas of expertise and professions.

During the year, all Directors undertook ongoing professional development through readings, briefings and seminars provided by professional bodies and industry experts on fiscal and economic policies, capital markets and luxury retail etc. to develop and refresh their skills and knowledge on industry-related updates. Directors also received quarterly updates on legal and regulatory matters, including the Listing Rules and applicable laws and regulations, and had access to a comprehensive "Memoranda on Directors' Duties and Responsibilities" and other training materials required for discharging their duties via an online board portal. Directors are required to provide the Company with details of the CPDs undertaken from time to time.

While there are no prescribed training hours under the Listing Rules, considering the scope and scale of the Company's business, each Director is expected to complete at least eight hours of relevant training annually. All Directors have fulfilled this requirement for the year ended 31 December 2025. The training records maintained by the Company during the year, are as follows:

| Directors                        | Areas             |                             |   |  |                                 | Total no. of hours |
|----------------------------------|-------------------|-----------------------------|---|--|---------------------------------|--------------------|
|                                  | Directors' Duties | Legal and Regulatory Update | Corporate Governance & Sustainability (including Climate Changes) | Financial Reporting/Risk Management & Internal Control | Macroeconomics/ Industry Trends |                    |
| <b>Lee Irene Yun-Lien</b>        | B                 | B                           | A, B  | A, B   | A, B                            | 23                 |
| <b>Lui Kon Wai</b>               | B                 | B                           | A, B  | A, B   | A, B                            | 23                 |
| <b>Chung Cordelia</b>            | A, B              | A, B                        | A, B  | A, B   | A, B                            | 39                 |
| <b>Churhouse Frederick Peter</b> | A, B              | A, B                        | A, B  | A, B   | A, B                            | 25                 |
| <b>Wong Ching Ying Belinda</b>   | A, B              | A, B                        | A, B  | A, B   | A, B                            | 27                 |
| <b>Young Elaine Carole</b>       | A, B              | A, B                        | A, B  | A, B   | A, B                            | 24                 |
| <b>Zhang Yong</b>                | B                 | B                           | A, B  | A, B   | A, B                            | 23                 |
| <b>Lee Anthony Hsien Pin</b>     | B                 | B                           | A, B  | A, B   | A, B                            | 22                 |
| <b>Lee Chien</b>                 | B                 | B                           | A, B  | A, B   | A, B                            | 23                 |
| <b>Lee Tze Hau Michael</b>       | A, B              | A, B                        | A, B  | A, B   | A, B                            | 32                 |

Notes:

A: Seminars/training courses/talks/other professional development presented by external professionals

B: Regulatory and compliance updates and other selected reading materials

In 2025, comprehensive training activities, including seminars, workshops and conferences, as well as regulatory updates relevant to the Company's business and their duties, were also provided to senior management and the Company Secretary. During the year, the Company Secretary completed no less than 15 hours of relevant professional training. These internal and external training programmes equipped them with the skills and knowledge necessary to fulfil their roles, support the sustainable growth of the Company, and understand their duties and responsibilities when acting as directors of subsidiaries and/or as senior management of the Company.

**Always rigorous & open.  
Good contribution.**

Directors' comments received in 2025 Board Evaluation

# Corporate Governance Report

## BOARD PROCESSES

### Meetings of the Board and Board Committees

The Board held five meetings in 2025, exceeding the minimum number of board meetings required under the CG Code. The Board Committees also met regularly during the year under review.

To facilitate Directors' participation and engagement, we typically schedule our Board and Board Committee meetings six months before commencement of the calendar year, giving Directors sufficient time to plan their schedule.

- Notice of at least 14 days is given to all Directors for regular Board and Board Committee meetings.
- Draft agendas for the Board and Board Committee meetings are circulated to all Directors at least three weeks before each meeting to provide Directors with an opportunity to include any other matters in the agenda.
- Agendas and meeting papers are uploaded to a private and secure digital board portal five days in advance of the intended date for regular meetings and reasonably in advance of any ad hoc meetings for sufficient preparation.
- Draft minutes of meetings of Board and Board Committees are circulated for comment as soon as practicable after the meetings.
- All signed Board and Board Committee minutes and resolutions are uploaded to the digital board portal for easy reference thereafter.
- Management and other department heads are invited to make presentations to the Board on operational topics during the year and to engage in open and in-depth discussions with the Board.
- Senior representatives from the valuer and the external auditor are invited to attend Audit and Risk Management Committee meetings for approval of the portfolio valuation and the interim and final results.
- The Audit and Risk Management Committee also holds private sessions with the external auditor and internal auditor, twice a year, to share observations and feedback on financial reporting, internal controls and risk management in a confidential setting without management present, thereby facilitating open and candid discussion.

The Directors also participate in the consideration and approval of matters of the Company by way of written resolutions circulated to them as necessary. Thorough analysis and supporting materials are posted on the digital board portal, followed by management's elaborations and discussions, primarily via the same portal.

Hybrid (physical and virtual) Board and Board Committee meetings were arranged by telephone and/or video conference to facilitate full participation in 2025. This technological connectivity continues to promote a high level of involvement and engagement at different levels of the business.

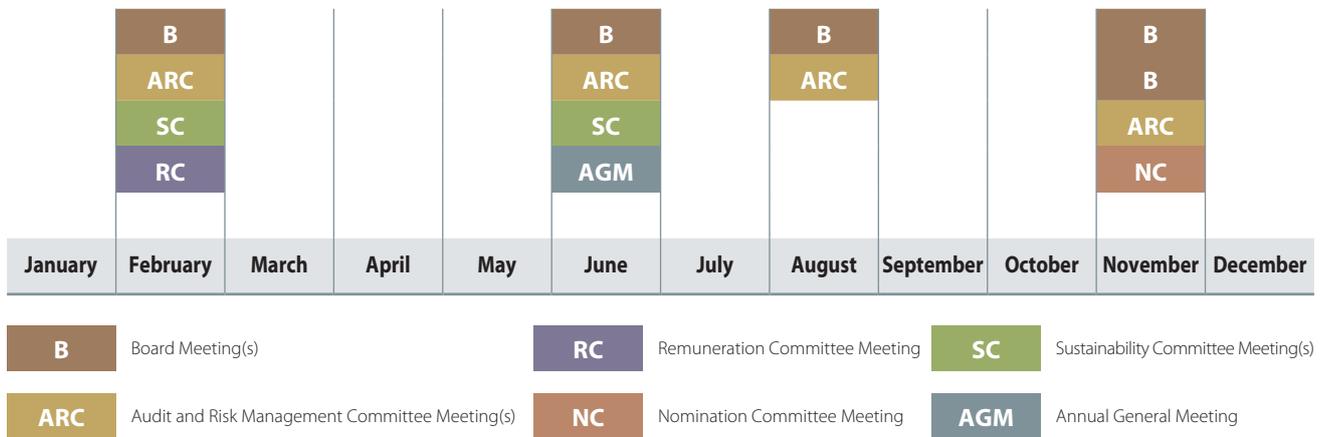
**Strong governance, spread of experience, collegial, great teamwork, common goal, long term aspirations.**

Directors' comments received in 2025 Board Evaluation

The use of the digital board portal enables timely and secure distribution of information to Directors and facilitates communication and interactions among Directors and senior management in a sustainable manner.



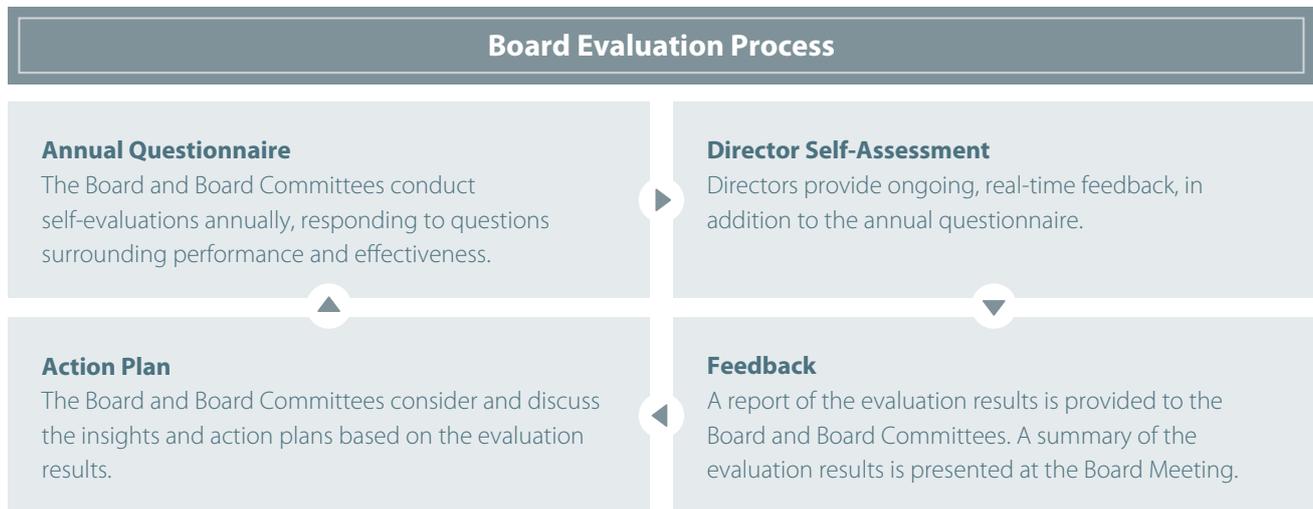
### Board and Board Committee meetings in 2025



# Corporate Governance Report

## BOARD EVALUATION

Hysan's Board evaluation is an ongoing and continual process that is regarded as an important component of the mechanism to ensure independent views and input are available to the Board. In line with the CG Code, Board evaluations in the form of a structured questionnaire are conducted on annual basis. In addition to the ongoing review by the Nomination Committee, the Directors play an important role in evaluating the performance of the Board and its four Board Committees (namely, the Audit and Risk Management Committee, the Remuneration Committee, the Nomination Committee, and the Sustainability Committee) to ensure the effectiveness of the Board.



### Board Evaluation Process

Our Board evaluation process consists of an anonymous online questionnaire covering a broad range of topics, including performance, dynamics and processes, proceedings of meetings, composition and diversity of the Board and Board Committees, risk management, governance, stakeholder engagement, cyber security and sustainability (including climate-related matters), for completion by each Director. As the questionnaire is anonymous, Directors are encouraged to freely share comments, provide suggestions and raise any concerns in a candid and constructive manner.

### 2025 Board Evaluation

Consisting of both ratings and open-ended questions, the Board evaluation for the year ended 31 December 2025 ("2025 Board Evaluation") was structured to solicit Director's views on:

- the effectiveness and performance of the Board and Board Committees;
- areas for improvement; and
- future challenges and priorities of the Group.

The Company engaged an external legal advisor to review and assess the evaluation framework, including the development of assessment criteria and the questionnaire to safeguard the integrity of the review proceed and provide additional insights on the 2025 Board Evaluation results. The findings and analysis of the Board evaluation were conducted by the Legal and Secretarial Department.

In developing the evaluation framework, including the formulation of assessment criteria and the design of the questionnaire, the Board considered feedback and recommendations from a broad range of stakeholders, including regulators, investors, proxy advisors and Shareholders. Their views and concerns were duly taken into account and, where appropriate, incorporated into the evaluation framework to ensure that it remained sufficiently robust, relevant, and aligned with evolving stakeholder expectations and regulatory standards. This inclusive approach enabled the Board to assess not only its internal efficiency, composition, and overall effectiveness but also its responsiveness to stakeholder interests and its commitment to maintaining high standards of corporate governance.

**Focus of the 2025 Board Evaluation**



The 2025 Board Evaluation received a 100% response rate. The overall response was positive, and there were no material issues to report. Constructive qualitative feedback was received, particularly through the open-ended questions. All Directors are of the view that this evaluation process provides a timely opportunity to identify ways to enhance performance. A detailed report on the 2025 Board Evaluation was prepared based on the collective comments of all Directors, which was further submitted to, considered and discussed by the Board, with constructive feedback provided and follow-up actions identified, where appropriate.

**2025 Board Evaluation Results**

The Directors regarded the Board’s leadership as highly effective. Each Director actively and constructively contributed to shaping the Group’s strategy and corporate culture, providing valuable support to the Board in effective management and governance of the Company. The Board demonstrates a commendable level of diversity, with a balanced gender representation and a strong skills matrix encompassing a broad range of expertise and experience that supports the Company’s growth and development and is closely aligned with the Group’s strategic priorities, values and culture. The Board further confirms that, during the year, it complied with all applicable legal and regulatory requirements.

## Corporate Governance Report

The Board recognises the importance of maintaining effective communication with Shareholders and other key stakeholders, and of ensuring that their views are heard and appropriately reflected in its deliberations. The Company maintains a range of stakeholder engagement channels, including general meetings, investor relations activities, analyst briefings and press conference, company website, dedicated shareholder and investor communication channels. Feedback received through these channels from Shareholders, investors, professional advisors, employees and other stakeholders is reported to the Board and its Committees as appropriate and is duly considered in the Board's discussions and decision-making processes, including in relation to strategy formulation, risk oversight and policy-setting.

Independent auditors attend each Audit and Risk Management Committee meeting and hold private sessions with Committee members to share observations and feedback on financial reporting, internal controls and risk management in a confidential setting that facilitates open and candid discussion. Letters received from major institutional investors outlining their policies, expectations and governance positions are reported to the Board, enabling Directors to understand and take into account the perspectives of key long-term Shareholders. In addition, feedback from analysts and credit rating agencies, together with reports on investor relations activities, are presented to the Board on a quarterly basis, providing regular insights into external market views and investor sentiment towards the Group. This structured reporting ensures that such views are appropriately reflected in the Board's assessment of strategy, risk and capital management, as well as in its broader decision-making.

The Directors reviewed the effectiveness of these stakeholder engagement arrangements and were satisfied that stakeholder perspectives are appropriately taken into account and embedded in the Board's oversight of the Group.

The 2025 Board Evaluation identified several key strengths of the Board, including the followings:

- Effective Board and Board Committees with well-defined roles and responsibilities.
- A diverse board comprising highly qualified members with exceptional skill sets that align with the Group's strategy and VMVs.
- Engaged and committed Board and Board committees' leadership providing strong stewardship and a collegial environment, with a clear commitment to the Group's long-term aspirations.
- Diligent and engaged Directors who actively participate and collaborate effectively, contributing positively throughout the year at all meetings.
- The Chairman fosters a culture of openness and transparency that encourages candid discussions. Board discussions are open, rigorous, and constructive, with a strong emphasis on strategic issues.
- Productive Board/Board Committee meetings with a good balance of open debate, high-quality discussions, and meeting efficiency.
- Independent views and input are available to the Board, ensuring comprehensive oversight.
- Sufficient access to all necessary resources and information, with adequate explanation provided by the management to facilitate decision making of the Board.
- A strong corporate governance pedigree within the Company, supported by highly engaged members who are willing to contribute and uphold independent oversight.

Directors further recognised the following challenges and areas for improvement:

- Geopolitical Uncertainty — Continuing geopolitical tensions may exacerbate challenges in the real estate market and in the broader economic environment.
- Resilience of Office and Retail Markets — Weak office and retail rental markets, coupled with potential shifts in consumer behaviour and preferences.
- Debt and Capital Management — The need to manage the interest rate risk and debt ratio effectively.
- Liquidity and Financial Stability — Ensuring liquidity and navigating continued commercial property market weaknesses.
- Portfolio Strategy Adjustments — Continued curation of the Group's portfolio in response to the evolving market.
- Board Refreshment and Succession Planning — Addressing the need for Board refreshment and effective succession planning to maintain strong leadership and oversight.

Based on the findings of the 2025 Board Evaluation, and coupled with ongoing reviews by the Nomination Committee, the Board considered that Board effectiveness was ensured and maintained at all times during the year. The Board will continue to enhance its effectiveness in line with international best practices and in its sustained pursuit of excellent corporate governance.

## ACCOUNTABILITY

### DEFINING CLEAR LINES OF ACCOUNTABILITY

Our corporate governance structure provides clear lines of accountability.

The Board has the responsibility of ensuring that the Group is managed in a way that safeguards the interests of the Shareholders. Governed by the **Board of Directors Mandate**, Directors are required to act within their defined authorities and powers. The **Schedule of Corporate Matters Reserved for the Board** further specifies the matters that would affect the Company's overall strategy, corporate governance, finances and Shareholders' interests, which are reserved for decision and approval by the Board, whereas the roles and responsibilities of each Board Committees are set out under their respective written **Terms of Reference**. Authority for managing the Group's daily operations and other decisions is delegated to the Executive Committee and supported by various Management Committees. Management of the Group is accountable for ensuring that a similar process of delegation is in place within his/her department or area of responsibility.

The Board is regularly kept up to date with the key events, material transactions, business outlook and financials of the Group through management reports and monthly financial reports. Offering comprehensive and balanced interim assessments between Board meetings, these reports provide the Board with sufficient transparency regarding the Company's operations. To facilitate the decision-making process, senior management are regularly invited to our Board and Board Committee meetings to make presentations and answer any questions the Board and Board Committee members may have.

# Corporate Governance Report

## Board Accountability

The Board and Board Committees are held accountable and responsible to the Shareholders by various means:

- All Directors are appointed by formal letters of appointment, which clearly set out the terms and conditions of their appointments;
- All Directors are subject to rotation, and the re-appointment of retiring Directors is subject to Shareholders' approval at AGMs;
- All Directors are required to make full disclosure of their cross-directorships and other commitments in the Company's annual reports;
- All Directors are required to make full disclosure of any potential connected transactions, including those by their associates;
- Significant connected transactions must be approved by Shareholders in accordance with the Listing Rules and/or the full Board under Hysan's compliance policy, with connected transactions exempt under the Listing Rules required to be reported to and confirmed by the full Board after obtaining the Executive Committee's approval;
- All Directors are required to act within their defined authority and powers in accordance with the Group's corporate policies and guidelines, including but not limited to the Code of Ethics, Board of Directors Mandate, the Schedule of Corporate Matters Reserved for the Board and the terms of reference of each Board Committee;
- NEDs and INEDs are additionally subject to the relevant corporate governance policy on the Roles and Requirements of Non-Executive Directors and Independent Non-Executive Directors;
- All Directors are subject to ongoing review by the Nomination Committee as well as evaluation by other Board members;
- All Directors are subject to the Code of Ethics, Anti-Fraud Policy, Anti-Bribery and Corruption Policy and Whistleblowing Policy (which allows an individual to report any irregularity directly to an independent third party, in confidence);
- All Directors are required to review the annual reports, interim reports, announcements and circulars for publication in a timely manner and in accordance with applicable laws and regulations, e.g. the Companies Ordinance and the Listing Rules; and
- Financial statements of the Group are verified and audited by an independent external auditor.

## Executives Accountability

The Executive Committee, Management Committees, and senior management of the Company (collectively the “Executives”) are held accountable and responsible to the Board by various means:

- Executives are required to make full disclosure of their other commitments;
- Executives are required to make full disclosure of their associates and any potential connected transactions, which may require full Board approval and/or the full Board’s review in accordance with Hysan’s compliance policy;
- Executives are required to report and send timely updates to the Board on the key events and business outlook of the Group and submit monthly financial reports to the Board so that sufficient transparency is provided about the Company’s operations;
- Executives are required to attend relevant sections of Board and Board Committees meetings to answer any questions that the Board and Board Committee members may have;
- Executives, by virtue of their office and duties, are regarded as potentially having access to inside information and are therefore subject to the Code for Securities Dealing by Restricted Employees, which governs dealings in the Company’s securities; and
- Each Executive is required to declare semi-annually that they have complied with the Code for Securities Dealing by Restricted Employees throughout the relevant period. Each Executive has made such declarations for the year ended 31 December 2025.

## 2025 BOARD ACTIVITIES

An outline of the key areas of Board activities during the year is provided below.

### Strategy

- Reaffirmed the Group’s strategic objectives and Hysan’s strong, long-term commitment to Hong Kong, with continued disciplined execution of the strategic plan at the core Lee Gardens while continuing to build the diversified and complementary growth pillars.
- Discussed and scrutinised business strategy and opportunities to drive sustainable growth of the Group in response to structural changes in the industry.
- Reviewed the upcoming challenges faced by the Group and discussed the mitigations, including the strategic move to rejuvenate our core portfolio and curate the Lee Gardens area.
- Considered and approved the Group’s investment and development strategy, including rejuvenation and connectivity of the Lee Gardens area.
- Considered and approved the Group’s HK\$8 billion five-year capital recycling programme to strengthen financial position, optimise capital allocation and enhance long-term shareholder value.
- Reviewed recent business developments, industry trends and market outlook to ensure the Group’s strategy remains relevant and forward-looking.

## Governance and Accountability

- Endorsed and proposed amendments to the Articles for Shareholders' approval to align with updates to the Companies Ordinance and Listing Rules, including provisions on treasury shares, electronic corporate communications to shareholders, electronic proxy submissions, electronic dividends, and other housekeeping changes.
- Reviewed, updated and approved key governance-related reports and policies to enhance our corporate governance practices and to align them with the proposed changes to the CG Code and Listing Rules, other relevant regulatory requirements and the latest market and international best practices. This included:
  - Schedule of Corporate Matters Reserved for the Board
  - Code of Corporate Governance
  - Onboarding Guideline for Directors
  - Roles and Requirements of Non-Executive Directors & Independent Non-Executive Directors
  - Shareholders Communication Policy
  - Anti-Bribery and Corruption Policy
  - Whistleblowing Policy
- Reviewed operational compliance with legal and regulatory requirements and related policies.
- Reviewed and approved continuing connected transactions and connected transactions.
- Reviewed and updated the terms of reference of Board Committees.
- Considered and discussed feedback on the 2025 Board Evaluation, the evaluation process and the insights and action plans, as appropriate.
- Reviewed the reports from the chairs of all Board Committees, including updates on the proceedings of their meetings, key discussion points and areas of concern.
- Approved proposed resolutions to be put forward to the AGM and the publication of a related circular.

## Financial, Operational and Business Performances

- Considered the financial performance of the business.
- Considered and approved the annual budget and treasury policy.
- Reviewed the interim and annual results and approved the interim and annual reports.
- Approved and declared the payment of the first and second interim dividends.
- Reviewed and discussed financial forecasts and capital structure management.
- Reviewed operating results and regular updates of the Group's core businesses (i.e. office, retail, residential and property development segments) and pillars.

## Risk Management and Internal Controls

- Reviewed the Group's risk appetite and assessed external and internal risk level movements and mitigating actions.
- Reviewed the effectiveness of Hysan's risk management and internal control systems.
- Met with the Company's valuers regularly during the year to discuss the portfolio valuation.
- Reviewed the major risks the Group faces, including but not limited to the risks related to climate change and cyber security threats.
- Reviewed and considered the Group's cyber security framework.

## Remuneration and Incentives

- Reviewed and evaluated Directors' fees.
- Reviewed compensation for the senior management.
- Reviewed staff development plans.

## Sustainability

- Reviewed the Group's sustainability strategy and framework and the associated corporate targets.
- Reviewed the progress update of carbon emission targets and the decarbonisation roadmap of the Group as part of climate-related oversight.
- Reviewed the Sustainability progress update on a quarterly basis.
- Review of regulatory changes and related updates to policies and guidelines.
- Review of major community programmes and internal training initiatives delivered during the year.
- Considered and approved the Sustainability Report.
- Reviewed the management's ongoing monitoring of sustainability risks and issues, in particular climate-related risks and opportunities.
- Reviewed the adequacy of resources of the Group's Sustainability functions.

## Board Composition

- Reviewed the Board's structure, size, composition, skills matrix, diversity, Directors' time commitments and contributions, and the independence of the INEDs.
- Considered and approved the Board's refreshment and changes in Board Committees' composition.
- Reviewed and monitored the training and continuous professional development of Directors and senior management.

# Corporate Governance Report

## DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code"), are set out below:

### Aggregate Long Positions in Shares and Underlying Shares of the Company

| Name                  | Number of ordinary shares held |                  |                     |                 |   | Total     | % of the total no. of issued shares (Note) |
|-----------------------|--------------------------------|------------------|---------------------|-----------------|---|-----------|--|
|                       | Personal interests             | Family interests | Corporate interests | Other interests |   |           |  |
| Lee Irene Yun-Lien    | 607,562                        | –                | –                   | –               | – | 607,562   | 0.059                                      |
| Lui Kon Wai           | 27,092                         | –                | –                   | –               | – | 27,092    | 0.002                                      |
| Young Elaine Carole   | 11,000                         | –                | –                   | –               | – | 11,000    | 0.001                                      |
| Lee Chien             | 1,100,000                      | 98,000           | –                   | –               | – | 1,198,000 | 0.116                                      |
| Lee Anthony Hsien Pin | 851                            | –                | –                   | –               | – | 851       | 0.00008                                    |

Note:

The percentages were computed based on the total number of issued shares of the Company as at 31 December 2025 (i.e. 1,027,008,223 ordinary shares).

### Aggregate Long Positions in Debentures

- I. US\$750,000,000 Subordinated Guaranteed Perpetual Capital Securities issued by ELECT GLOBAL INVESTMENTS LIMITED ("Elect Global"), a wholly owned subsidiary of the Company <sup>(Note)</sup>

| Name               | Amount of Debentures |                  |                     |                 | Total         |
|--------------------|----------------------|------------------|---------------------|-----------------|---------------|
|                    | Personal interests   | Family interests | Corporate interests | Other interests |               |
| Lee Irene Yun-Lien | US\$3,000,000        | –                | –                   | –               | US\$3,000,000 |
| Lee Chien          | –                    | US\$400,000      | –                   | –               | US\$400,000   |

Note:

These debentures were issued by Elect Global in March 2025.

- II. US\$17,000,000 Subordinated Guaranteed Fixed Rate Notes issued by Elect Global <sup>(Note)</sup>

| Name               | Amount of Debentures |                  |                     |                 | Total         |
|--------------------|----------------------|------------------|---------------------|-----------------|---------------|
|                    | Personal interests   | Family interests | Corporate interests | Other interests |               |
| Lee Irene Yun-Lien | US\$2,000,000        | –                | –                   | –               | US\$2,000,000 |

Note:

These debentures were issued by Elect Global in September 2025.

EDs have been granted (i) share options under the Company's share option scheme adopted on 10 May 2005 (the "2005 Share Option Scheme") and/or the scheme adopted on 15 May 2015 (the "2015 Share Option Scheme"); and (ii) share awards under the Company's share award scheme adopted on 19 January 2024 (the "2024 Share Award Scheme"). Please refer to the section "Long-term Incentives: Share Schemes" on pages 129 to 134. These constitute interests in underlying shares of equity derivatives of the Company under the SFO.

Apart from the above, as at 31 December 2025, no other interest or short position in the shares, underlying shares or debentures of the Company or any associated corporations as defined in the SFO were recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### **Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers**

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the securities transactions of the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2025.

### **DIRECTORS' DISCLOSURE ON CONFLICTS OF INTEREST**

The Board has a process in place for regularly reviewing and resolving situations where a Director may have a conflict of interest.

To ensure compliance with disclosure requirements on potential conflicts of interest, all Directors are required to disclose to the Board the following information in relation to their interests upon appointment and on an annual basis:

- The number and nature of offices they hold in public companies or organisations and other significant commitments (if any) and their time engagements (immediately if there is any change);
- Their interests in contracts with the Group; and
- Whether he or she has an interest in any business that competes with the Group.

In addition, all Directors are required to declare the nature and extent of their interests, if any, in any transaction, arrangement or other proposal to be considered by the Board.

In 2025, all Directors fulfilled the above disclosure requirements. No potential conflict of interest was determined by the Board to be material, except for the continuing connected transactions and connected transactions as disclosed in the Directors' Report on pages 155 to 157, which were reviewed in the Board meeting in February 2026.

#### **Directors' Interests in Contracts**

During the year, certain Directors had interests, directly or indirectly, in contracts with the Group. These contracts constituted related party transactions, continuing connected transactions, connected transactions or contracts of significance under applicable accounting or regulatory rules. Details are disclosed in the "Directors' Report".

#### **Directors' Interests in a Competing Business**

The Group is principally engaged in property investment, development and management of high-quality investment properties in Hong Kong. No Director (excluding INEDs in accordance with Listing Rules disclosure requirements) was considered to have interests in other activities that compete or are likely to compete with the core business of the Group, within the meaning of the Listing Rules.

# Corporate Governance Report

## OUR RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

### Risk Management and Internal Control

Our risk management and internal control framework forms an essential part of our Governance Framework.

The Board has the overall responsibility of maintaining an effective and robust risk management and internal control system, determining the Group's risk appetite, and putting controls in place to mitigate risks in line with our long-term and strategic goals and targets.

With the support of the Audit and Risk Management Committee and the internal audit function, the Board oversees and reviews the Group's risk management and internal control system on an on-going basis, adopts appropriate policies and reviews the effectiveness of the systems at least annually in respect of the relevant financial year. The roles and responsibilities of each function/business unit are underpinned by the "Three Lines of Defence" model, with the first line to identify and manage risks, the second line to oversee the management of risks, and the third line to assess and advise on risk controls.

Details of our Risk Management and Internal Control Framework and activities during the year are set out in the "Risk Management and Internal Control Report" on pages 108 to 116.

### Internal Audit

The internal audit function is carried out by the Group Internal Audit Department ("GIA"), which serves as the third line of defence independent of management and directly reports to the Audit and Risk Management Committee.

The GIA plays a major role in providing independent and objective assurance on risk management and internal controls as well as practices and procedures of the Group in conducting business, including the leasing business, accounting and financial reporting, and corporate communications processes, from time to time. The GIA is responsible for ensuring that our business affairs are conducted in full compliance with our corporate policies and guidelines. The GIA also examines and suggests areas of improvement for our corporate policies and guidelines.

Details of our internal audit activities during the year are set out in the "Risk Management and Internal Control Report" on page 116.

### Operation Control

Our business is operated through a clear chain of delegation of authority and responsibility, from the Board to the Executive Committee and from the Executive Committee to the responsible business units.

To set out clear lines of accountability and maintain effective control, the Group has adopted comprehensive corporate policies and guidelines detailing our practices and procedures in carrying out our business. Key policies, guidelines and procedures are reviewed annually to ensure they are up to date and able to address the latest business developments and risks that the Group's operation faces.

Heads of business and supporting units are the risk managers and first line of defence to ensure full compliance with all applicable corporate policies and guidelines in their day-to-day operations. Heads of control functions, as the second line of defence, are responsible for enforcing and monitoring the effectiveness of internal controls and ensuring risks are effectively managed in accordance with the risk monitoring and assessment process.

Our Group's compliance policy sets out the control process for the early identification and recording of non-compliance in order to prevent and/or mitigate risks and potential loss. Each business unit, support unit and control function is required to report any irregularity or non-compliance immediately to the compliance team and submit a full compliance report twice a year, which will then be reported to the Audit and Risk Management Committee for confirmation.

The Group's reporting process and financial management are also part of our internal controls. The Board, supported by the Audit and Risk Management Committee, monitors the integrity of the Group's reporting process and financial management. It scrutinises the full- and half-year financial statements and reviews in detail the work of the external auditor and external valuer, as well as any financial judgements and estimates made by the management.

In addition, our Legal and Secretarial Department issues quarterly legal and regulatory updates to the Board and reviews and updates our corporate policies and guidelines regularly to ensure compliance with the latest legal and regulatory requirements and international best practices, incorporating any suggestions from the GIA.

Through these means, we are able to effectively monitor compliance, prioritise each case identified, and ensure accurate reporting and timely follow-up.

### Financial Reporting

The Board acknowledges its responsibilities for:

- preparing financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and that of the Group at the end of the financial year and of their respective profit or loss for the year then ended, in accordance with Hong Kong Financial Reporting Standards, the Listing Rules and the Hong Kong Companies Ordinance;
- selecting suitable accounting policies and applying them on a consistent basis, making judgments and estimates that are prudent, fair and reasonable;
- ensuring compliance with accounting standards and stating the reasons for any significant departure from accounting standards;
- preparing the financial statements on a going concern basis, unless it is not appropriate to presume the Company and the Group will continue in business for the foreseeable future; and
- keeping proper accounting records for safeguarding the assets of the Company and of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Inside Information

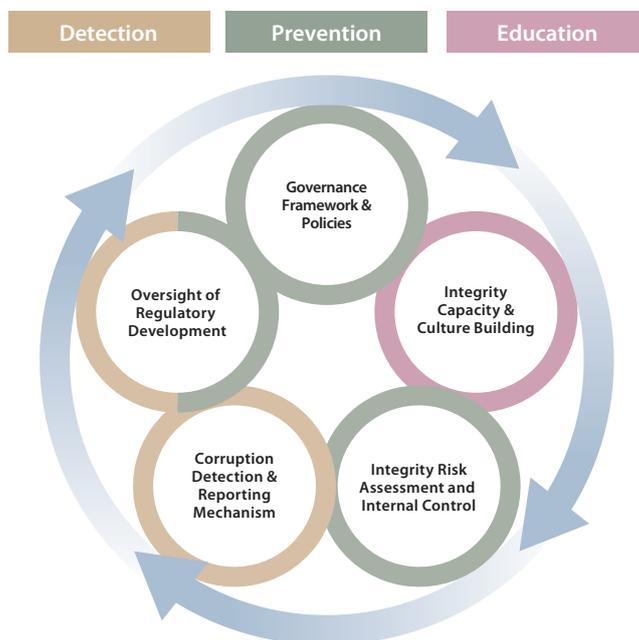
The Group adopted the Corporate Disclosure Policy in 2013 which sets out the procedures for identifying, handling and disseminating disclosable information, including inside information and any other information required to prevent a false market in the Company's securities. This policy also identifies spokespersons and clearly outlines the responsibilities for communication with each stakeholder group. Details are available on the Company's website: [www.hysan.com.hk/governance](http://www.hysan.com.hk/governance).

A Disclosure Committee was also established to oversee and ensure the timely, accurate, complete and fair dissemination and disclosure of such information in accordance with applicable laws, regulatory requirements and the Corporate Disclosure Policy.

For any matter involving potentially price sensitive or inside information, business units are required to escalate the matter to the Disclosure Committee. The Disclosure Committee will assess the materiality and nature of the information and advise the Board promptly whether such information constitutes inside information, and, if so, on and the necessary disclosures and/or appropriate follow-up actions to ensure that any inside information is disclosed to the public as soon as reasonably practicable. All discussions are recorded in the formal meeting minutes of the Disclosure Committee for the Board's inspection upon request.

## INTEGRITY AND ANTI-CORRUPTION MANAGEMENT

Hysan is committed to upholding the highest standards of integrity, ethical conduct and accountability across the Group. Integrity risk management forms a core part of our governance framework, with policies, procedures and oversight mechanisms in place to prevent, detect and respond to misconduct, malpractice and corruption. The Audit and Risk Management Committee exercises oversight of integrity related risks and receives regular updates from management on key developments in this area.



### Governance Framework and Policies

The Group has established a comprehensive set of integrity related policies that collectively form the foundation of our integrity and anti-corruption management system. These include the Code of Ethics, Anti-fraud Policy, Anti-Bribery and Corruption Policy, and Whistleblowing Policy. Together, these policies set clear expectations on probity and ethical behaviour, outline the standards of conduct expected of all staff and business partners, and reinforce our top-level commitment to adopt ethical, transparent and corruption-free business practices with zero tolerance to corruption.

Specifically, the Whistleblowing Policy provides employees and external parties with secure and confidential channels to report suspected misconduct, malpractice or irregularities. Reports are handled independently, with clear procedures in place to protect whistle blowers and ensure timely investigation and escalation to relevant authorities where appropriate.

All policies and procedures are reviewed periodically to maintain continued relevance and effectiveness, taking into account evolving regulatory and governance expectations.

### Risk Assessment and Internal Controls

Integrity and corruption-related risks are incorporated into the Group’s annual risk assessment process. GIA maintains a comprehensive risk register covering all key risk categories and conducts regular assessments across business units to identify emerging risks, evaluate the risk ratings and review the effectiveness of existing controls. These assessments support the Group’s approach to proactively identifying and mitigating business and operational risks in daily operations including integrity and corruption risks.

The results of these assessments are reported to the Audit and Risk Management Committee and used to strengthen our internal controls and oversight processes.

### Integrity, Capacity and Culture Building

Recognising that strong governance depends on both systems and culture, the Group adopts a systematic approach to integrity capacity building. Training and leadership communication help embed integrity prioritised values into the corporate culture and reinforce transparency, accountability and ethical conduct.

## INTEGRITY AND ANTI-CORRUPTION MANAGEMENT (continued)

All employees receive regular training on integrity and anti-corruption requirements, including mandatory annual refresher e-learning on key legal and compliance topics, supplemented by annual compliance reminder on newly adopted or updated policies and procedures. In addition, all employees received mandatory integrity training delivered by the Hong Kong Independent Commission Against Corruption ("ICAC").

These initiatives are designed to reinforce leadership commitment, strengthen ethical decision making and ensure that employees understand their responsibilities, can identify potential red flags, and know how to raise concerns through appropriate channels.

### Oversight of Regulatory Developments

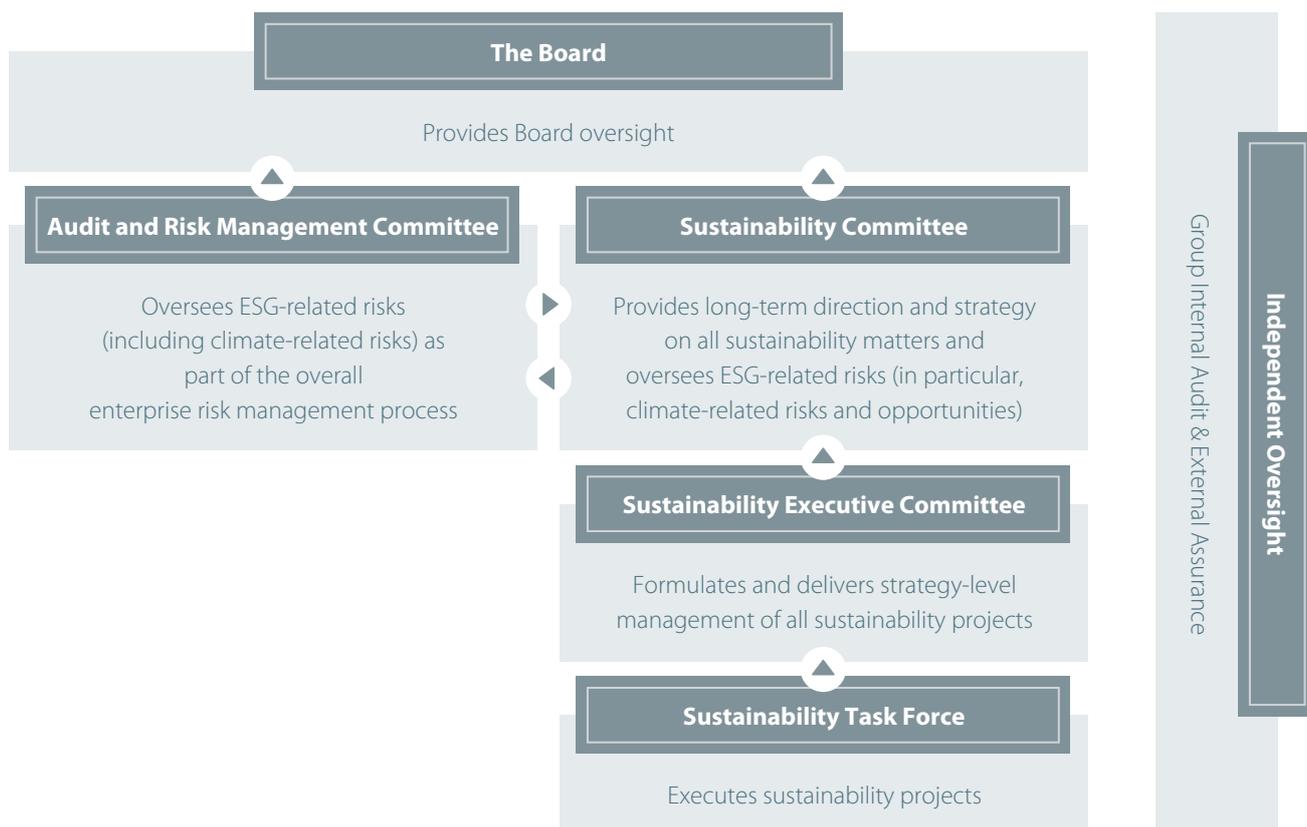
The Group closely monitors evolving regulatory expectations in Hong Kong and other relevant jurisdictions. In particular, we are monitoring the development of the Integrity Compliance Management System ("ICMS") being prepared by the ICAC, which is expected to be published in 2026. Based on a preliminary review against the high level ICMS framework already published, the Group considers that its existing policies and practices meet the majority of the indicative ICMS framework. Further enhancements will be considered following the issuance of the detailed ICMS guidelines, with relevant elements integrated into the Group's risk management and internal control systems as appropriate.

No regulatory breaches or confirmed cases of misconduct, malpractice or irregularity were reported in 2025.

## SUSTAINABILITY

### Sustainability Governance

A governance framework is crucial for the successful delivery of our sustainability strategy. The Board has the overall responsibilities for sustainability matters and established the Sustainability Committee in 2020 to support the Board in overseeing the Group's corporate responsibility, sustainable development and climate change positions.



## Corporate Governance Report

The Sustainability Committee is primarily responsible for overseeing, assessing, and managing any ESG-related risks and issues (in particular, climate-related risks and opportunities), as well as bringing any such risks to the attention of the Board and the Audit and Risk Management Committee. As part of the Group's overall risk management framework, any ESG and climate-related risks identified by the Sustainability Committee will be integrated into our overall enterprise risk management process, using the same set of risk assessment criteria.

In 2025, the Sustainability Committee held two meetings and received quarterly updates from the management on the sustainability performance of the Group (with dedicated sessions on climate-related risks and opportunities). To enhance its monitoring of progress on climate change initiatives, an additional meeting was held in June 2025, primarily to review and discuss the Company's carbon emission target and decarbonisation roadmap.

In view of the new ESG and climate-related requirements and the complexities of these issues, the composition of the Sustainability Committee was reviewed by both the Board and the Nomination Committee to ensure that appropriate skills and competencies are available to respond to the latest regulatory requirements and climate-related risks and opportunities:

- Leveraging her extensive experience in real estate and hospitality, Ms. Young Elaine Carole, as the chairman of our Sustainability Committee, demonstrates a profound understanding of sustainable practices as well as strategic insight into sustainable property investments and development. Her experience is invaluable in overseeing the transformative sustainability initiatives within the Lee Gardens portfolio, particularly those focused on property development and facilities management, ensuring alignment with industry best practices and our sustainability goals. Her co-chairmanship at The Mekong Club, a non-profit organisation dedicated to combatting modern-day slavery, also highlights her deep commitment to social responsibility and the promotion of ethical business practices. Ms. Young's commitment extends to collaborating with climate-related organisations. With her insights on emerging climate-related challenges and opportunities, Ms. Young is well-positioned to lead our Sustainability Committee in overseeing strategies that effectively address sustainability and climate-related risks and drive sustainable progress.
- Ms. Wong Ching Ying Belinda is a passionate and experienced sustainability leader dedicated to driving environmental and social impact. Under her leadership, Starbucks launched its first Greener Stores outside North America and became one of the first coffee retailers in China to pilot a water replenishment project. She led efforts to redefine sustainable retail through store design, energy-efficient technologies, responsible sourcing, and waste reduction initiatives. She advanced supply chain sustainability by improving manufacturing and logistics efficiency and reducing environmental impact. Housing the most energy-efficient coffee manufacturing and distribution center, the Starbucks Innovation Park set a new benchmark for sustainability in China. She also oversaw initiatives to uplift underprivileged communities and support local coffee farmers. Ms. Wong contributes meaningfully to the Sustainability Committee, bringing deep expertise and a proven track record in driving impactful ESG strategies.
- Mr. Lee Tze Hau Michael actively participates in social and philanthropic services, devoting himself to equestrian sports and promoting corporate social responsibility and corporate governance through his involvement in various public companies and organisations. Serving previously as the chairman of the Board of Stewards of The Hong Kong Jockey Club, one of the world's largest charity contributors supporting a wide range of community projects spanning sports, arts, culture, education, medical, and social welfare, his experience and track record in driving social and community initiatives, promoting sustainable practices that foster community well-being, complement Hysan's sustainability focus on community engagement. Mr. Lee is an invaluable asset for steering our sustainability initiatives towards long-term success and ensuring our charitable efforts create meaningful impact for the community.

The Board and the Nomination Committee are of the view that the composition of our Sustainability Committee demonstrates a holistic approach to sustainability by integrating environmental concerns with impactful social initiatives aimed at achieving long-term success in our sustainability endeavours.

The management level Sustainability Executive Committee and the operational level Sustainability Task Force ensure that the Group's sustainability and climate-related strategies and practices are integrated into the Group's operations. They are also responsible for assisting the Board and the Sustainability Committee in identifying targets, exploring new initiatives and managing any ESG and climate-related risks.

The Sustainability Executive Committee, led by Mr. Lui Kon Wai, our ED & COO, is responsible for formulating the Group's sustainability strategies, including the roadmap to achieve net zero emissions and key stakeholder engagement campaigns. Hysan has enhanced energy management, increased efficiency, and strengthened climate resilience across its core portfolio. The sustainable construction and green building design at Lee Garden Eight demonstrate the Company's decarbonisation efforts through MiMEP implementation and climate-resilient design. Mr. Lui also oversees the community business model that guides the transformation of the Lee Gardens area, integrating sustainability principles while creating an inclusive urban environment. His leadership is pivotal to Hysan's commitment to addressing climate-related risks while advancing the Company's environmental and social objectives.

### Sustainability Performance

During the year, the Board continued to further our sustainability strategy with a Community Business Model that focuses on environmental operations management and sustainable construction for our new developments and major enhancement works, as well as offering various social sustainability initiatives to our community.

Details of Hysan's sustainability framework and activities during the year are set out in the following:

- Sustainability Report 2025 available on Hysan's website: [www.hysan.com.hk](http://www.hysan.com.hk).
- The "Sustainability Committee Report" on pages 141 to 145.
- A summary of the Sustainability Report on pages 146 to 150.

The Sustainability Report is distributed electronically to reduce resources consumed in the printing and distribution of hard copies. It is available for public viewing on Hysan's website ([www.hysan.com.hk](http://www.hysan.com.hk)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). Limited copies are printed and distributed primarily to our Shareholders.

## ENGAGEMENT

Hysan believes that continual engagement and two-way communication are the key to building trust and understanding between the Company and its stakeholders. We attach great importance on regular engagement with our stakeholders, including Shareholders, investors, employees and the wider community. Through a range of communication channels that encourage open and candid dialogue, we articulate our VMVs, keep our stakeholders informed about our business strategies and outlook, and listen carefully to their views and concerns so that stakeholder feedback is appropriately reflected in our discussions and decision-making.

### SHAREHOLDERS ENGAGEMENT

Hysan maintains an open and constructive dialogue with its Shareholders and provides them with the information necessary to make sound investment decisions. Feedback from Shareholders and investors on policies, expectations and governance views are summarised and reported to the Board regularly, so Directors can take the perspectives of key long-term Shareholders into account.

#### Shareholder Communication Policy

The Company recognises the importance of communication with Shareholders and investors and has adopted the Shareholder Communication Policy, which governs our framework for providing Shareholders with ready, equal and timely access to balanced and easily comprehensible information about the Company.

# Corporate Governance Report

Shareholder communication and engagement channels are shown in the table below:

| Channels                                 | 2025 Highlights   |
|--|---|
| Hybrid AGM                               | <ul style="list-style-type: none"> <li>All Directors attended the 2025 AGM in person</li> <li>Shareholders could attend the 2025 AGM in person or online</li> <li>Questions could be submitted in advance of the 2025 AGM and/or in person or online during the AGM</li> <li>Shareholders could vote in real-time through the online platform</li> </ul>  |
| Investor relations activities            | <ul style="list-style-type: none"> <li>Led by the CFO and Investor Relations Department</li> <li>Engaged over 300 equity and fixed income investors and equity research analysts globally via earnings calls, conferences, roadshows and meetings</li> <li>Attended seminars organised by the investment community</li> </ul>   |
| Analyst briefings and press conference   | <ul style="list-style-type: none"> <li>Led by the Chairman, ED &amp; COO, CFO, Investor Relations Department and Corporate Communications Department</li> <li>Attended by media, analysts and institutional investors</li> <li>Coverage of the Group's interim and annual results</li> </ul>  |
| Corporate communications <sup>Note</sup> | <ul style="list-style-type: none"> <li>Approximately 50 corporate communications documents (including annual report, interim report, sustainability report and various announcements and notices) were published on the websites of the Stock Exchange and the Company</li> </ul>   |
| Company website                          | <p>Contains:</p> <ul style="list-style-type: none"> <li>Hysan's corporate governance and sustainability policies</li> <li>Latest financial highlights and shareholder information</li> <li>Updated list of Directors with their roles and functions and whether they are INEDs</li> <li>Analyst briefings webcast and materials</li> <li>Publications and press releases</li> <li>Other information such as upcoming investor events, financial calendar and share price data</li> </ul>  |
| Social media                             | <ul style="list-style-type: none"> <li>Provide investors and other stakeholders with regular updates on our initiatives relating to our businesses and community</li> </ul>   |
| Dividend information                     | <ul style="list-style-type: none"> <li>Dividend payment history available on Company's website</li> <li>Dividend policy and the Board's dividend decisions are disclosed under "Dividend Policy" in the Annual Report</li> </ul>  |
| Policies and guidelines                  | <ul style="list-style-type: none"> <li>The Shareholders Communication Policy ensures that Shareholders and the investment community receive, equal and timely access to balanced and easily comprehensible information about the Company for making sound investment decisions and informed assessments of the Company, and to allow Shareholders and the investment community to engage with the Company, while ensuring that the Company fulfils its reporting obligations under the Listing Rules</li> <li>The policy is regularly reviewed to ensure its effectiveness and is available on the Company's website: (<a href="http://www.hysan.com.hk/governance/group-policies-and-governance-guidelines/">www.hysan.com.hk/governance/group-policies-and-governance-guidelines/</a>)</li> </ul> |

**Note:**

The term "corporate communications" refers to all "corporate communications" as defined in the Listing Rules, including without limitation, Interim/Annual Reports, notices, circulars and proxy forms of the Company.

All Shareholders are welcome to provide their feedback and views on various matters affecting the Company to the Directors or senior management through the Company Secretary. Enquiries will be promptly addressed by the appropriate Board Committees or the Board, if necessary. For enhancing communication, proxy advisors are proactively engaged on the latest corporate governance trends, particularly with regard to shareholder engagement.

The Shareholder Communication Policy, its implementation and effectiveness was reviewed and updated in November 2025, and it was confirmed that the policy had been effectively implemented throughout the year ended 31 December 2025.

## REPORTING AND TRANSPARENCY

Hysan commits to maintaining a high standard of transparency and keeping Shareholders and other stakeholders abreast of the Company's financial and non-financial performance as well as its strategy and outlook. The Group ensures timely, transparent and accessible communication by publishing:

- its interim and annual reports within three months of the financial period/year end;
- announcements (and circulars, where required) on material information or developments as required by the Listing Rules and/or the SFO, or voluntarily as the Board considers appropriate;
- in accordance with the requirements of the Listing Rules, all Corporate Communications on the Company's website, biographies of the Directors and the senior management, business and sustainability developments, the governance structure, financial calendar, and other news and developments at Hysan; and
- press releases, presentation materials and webcasts on the Company's website, in conjunction with the Company's AGM and results announcement.

To enhance communication efficiency and promote environmental protection, the Company adopts electronic dissemination of corporate communications, as permitted by applicable laws and regulations.

This includes:

**Electronic Distribution** — Corporate Communications will be sent to Shareholders by electronic means.

**Website Accessibility** — Corporate Communications will be made available on both the Company's website and the Hong Kong Stock Exchange website ([www.hkexnews.hk](http://www.hkexnews.hk)), unless hard copies are otherwise requested.

**Individual Distribution** — Actionable Corporate Communications (as defined under the Listing Rules) will be distributed either (i) individually in electronic form; or (ii) in hard copy for those Shareholders who have not provided their electronic contact details.

Details regarding the arrangements for electronic dissemination and how to request hard copies are available on the Company's website.

All corporate communication with Shareholders are written in plain languages in both English and Chinese. Shareholders have the right to choose their preferred language (English or Chinese) and/or means of receipt (print or electronic), free of charge, at any time, with reasonable notice in writing, to the Company or the Company's registrar or by e-mail to [hysan14-ecom@vistra.com](mailto:hysan14-ecom@vistra.com) or [cosec@hysan.com.hk](mailto:cosec@hysan.com.hk), respectively.

## DIVIDEND POLICY

The Company is committed to creating long-term shareholder value by providing dividends. All Shareholders are entitled to receive dividends according to our Dividend Policy.

In general, dividends will be evaluated and decided by the Board semi-annually at the time when the interim results and annual results are approved. In determining the appropriate amount of a dividend, the Board decision will be based on key factors including:

- prevailing financial performance and cash earnings;
- business conditions and outlook;
- capital commitments on operation and investment projects; and
- growth strategy, capital allocation and productivity.

The financial calendar and dividend-related dates for the year ended 31 December 2025 are set out in "Shareholder Information" on page 242.

Information about dividend payments, amounts and key dates is set out on the Shareholder Information (Dividend Information) section of the Company's website: ([www.hysan.com.hk/investor/shareholder-information/](http://www.hysan.com.hk/investor/shareholder-information/)).

# Corporate Governance Report

## SHAREHOLDERS' RIGHTS

The Board is committed to treating all Shareholders equitably and fairly. The rights of our Shareholders are well recognised and include:

- the right to receive declared dividends and to vote and attend general meetings; and
- the right to convene general meetings and to put forward proposals for consideration at general meetings.

A general meeting of Shareholders can also be convened by the Board or via a written request signed by Shareholders holding at least 5% of the total voting rights of all the Shareholders. The Group's Procedures for Shareholders to Convene General Meetings/Put Forward Proposals, as well as the relevant contact details, are available on the Company's website: [www.hysan.com.hk/governance/group-policies-and-governance-guidelines](http://www.hysan.com.hk/governance/group-policies-and-governance-guidelines).

## GENERAL MEETINGS

Hysan's AGMs are usually held in May or June each year. Serving as a key communication channel for our Shareholders, the AGM provides them with the opportunity to understand the business performance of the Company. Our Board members, in particular the INEDs and the chairmen of Board Committees, senior management and external auditors, attend the AGMs and engage with our Shareholders to understand their feedback and answer questions.

To ensure our Shareholders have sufficient time to consider the proposed resolutions, AGM notices, circulars and other documents, are dispatched to Shareholders more than 30 days prior to the AGMs. Comprehensive information is also given on each resolution to be proposed. Appropriate arrangements for the general meetings are also in place to encourage Shareholders' participation, including the option for members to attend virtually with the use of technology, and to cast votes by electronic means.

Since 2004, all votes at AGMs have been taken by poll. The poll is conducted and scrutinised by the Company's registrar. Procedures for conducting the poll are explained at the AGMs prior to the taking of the poll. Poll results and Directors' attendance at the AGM are announced and posted on the websites of both the Stock Exchange and the Company.

### 2025 Hybrid AGM

The 2025 AGM was held in a hybrid format on 5 June 2025, allowing Shareholders to attend the meeting in person at the Principal Meeting Place, the Hong Kong Convention and Exhibition Centre at 1 Expo Drive, Wanchai, Hong Kong, or to join via the live online webcast system ("Online AGM"). Shareholders attending the Online AGM were also counted towards the quorum.

The Online AGM, which allows Shareholders to view the live proceedings of the AGM, submit questions by text to the interactive platform for Q&A, call to raise questions and vote online in real-time, offers Shareholders the same participation and voting rights as those attending in person. Shareholders are encouraged to make use of the Online AGM to view the live meeting proceedings and participate in voting.

Hybrid AGMs promote inclusivity, engagement and transparency, facilitate Shareholders' participation by providing convenient access and overcoming geographical constraints and space limitations, and protect Shareholders' right to attend and vote at general meetings. The Online AGM enabled our Shareholders to participate in the 2025 AGM from anywhere with an internet connection and to meet our Board members, senior management and auditors of the Company. This arrangement has also broadened the reach of the AGM and provided flexibility to Shareholders who do not wish to attend in person or for other overseas Shareholders who are unable to attend in person.

Key matters resolved at the 2025 AGM included:

- Receipt of the Statement of Accounts for the year ended 31 December 2024 and the Reports of the Directors and Auditor thereon;
- Re-election of Mr. Churchouse Frederick Peter as Director;
- Re-election of Ms. Young Elaine Carole as Director;
- Re-election of Mr. Zhang Yong as Director;
- Re-election of Mr. Lee Anthony Hsien Pin as Director;

- Re-election of Mr. Lee Tze Hau Michael as Director;
- Re-appointment of Deloitte Touche Tohmatsu as Auditor;
- Granting of a general mandate to allot, issue and deal with additional shares in the Company (not exceeding 10% of the number of its issued shares, and the discount for any shares to be issued shall not exceed 10%); and
- Granting of a general mandate to repurchase shares in the Company (not exceeding 10% of the number of its issued shares).

All resolutions proposed at the 2025 AGM were passed by the Shareholders.

## 2026 AGM

The 2026 AGM will be held on 5 June 2026. Details of the meeting are set out in the notice of the 2026 AGM, which constitutes part of the circular to Shareholders sent together with this Annual Report. Notice of the 2026 AGM and the proxy form are also available on the websites of both the Stock Exchange and the Company.

## INVESTOR RELATIONS

Hysan is committed to maintaining open and constructive dialogue via two-way communication with its stakeholders, as well as fixed-income investors, analysts and credit rating agencies.

We provide regular updates on Hysan's operating and financial performance through a variety of channels to keep our stakeholders informed about the business environment and how the Company responded to risks and challenges. Virtual and face-to-face meetings and conference calls with institutional investors as well as live webcasts and press conference for our post-results briefing were held regularly by our senior management to provide updates on our strategy and performance and to listen to stakeholders' views and concerns. These ongoing engagements help ensure that stakeholder feedback is clearly heard and appropriately reflected in the Board's discussions and decision-making.

A dedicated Investor section with timely updates on the Company's business performance and key developments is also available on the Company's website: [www.hysan.com.hk/investor](http://www.hysan.com.hk/investor).

### Calendar of our Main Investor Relations Events

| 2025 1st Half  | 2025 2nd Half   |
|--|---|
| <ul style="list-style-type: none"> <li>• Annual results announcement               <ul style="list-style-type: none"> <li>– Press conference</li> <li>– Analyst briefing (live webcasts were also available)</li> </ul> </li> <li>• Post-results non-deal roadshows</li> <li>• Deal roadshows</li> <li>• Annual General Meeting</li> <li>• Investor conferences</li> <li>• Property tours</li> </ul> | <ul style="list-style-type: none"> <li>• Interim results announcement               <ul style="list-style-type: none"> <li>– Press conference</li> <li>– Analyst briefing (live webcasts were also available)</li> </ul> </li> <li>• Post-results non-deal roadshows</li> <li>• Property tours</li> </ul> |

## CONSTITUTIONAL DOCUMENTS

The Company did not make any changes to its constitutional documents during the year ended 31 December 2025. The up-to-date consolidated version of the Company's constitutional documents is available on the websites of both the Stock Exchange and the Company.

By Order of the Board  
**Lee Irene Yun-Lien**  
 Chairman

Hong Kong, 26 February 2026

# Risk Management and Internal Control Report

## RESPONSIBILITY

Responsibility for risk management is shared between the Board and the management of the Group. The Board has overall responsibility for reviewing and maintaining a sound and effective risk management and internal control systems. Management's role is to design and implement these systems and to report to the Board and the Audit and Risk Management Committee on the identification and management of risks. This process is crucial for achieving the Group's business objectives.

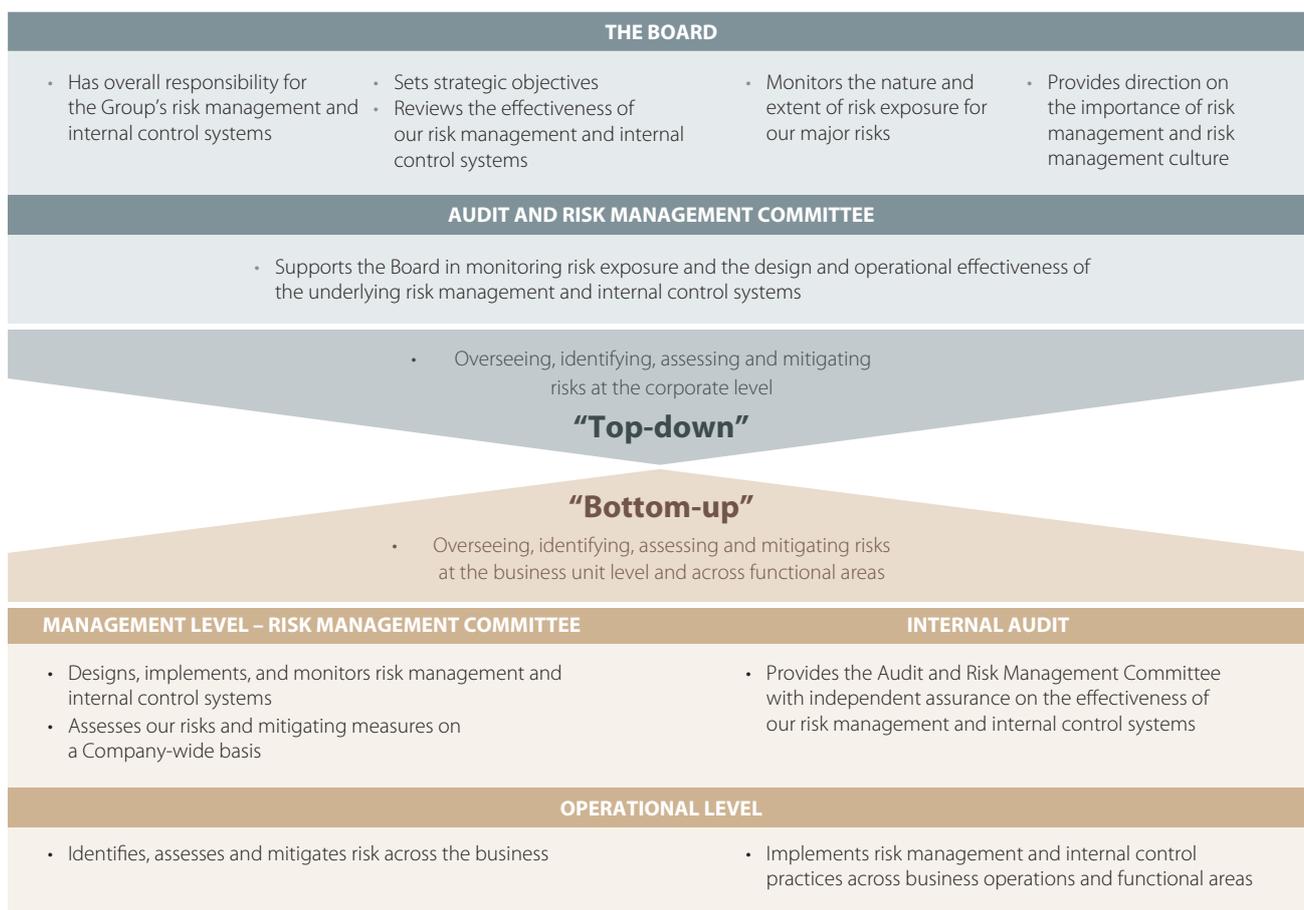
## OUR RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Audit and Risk Management Committee supports the Board in monitoring the Group's risk exposures and overseeing the design and operational effectiveness of its underlying risk management and internal control systems. Acting on behalf of the Board, the Audit and Risk Management Committee consistently supervises the following processes:

- Reviewing the Group's principal business risks and the control measures used to mitigate, transfer or avoid such risks; the strengths and weaknesses of the Group's overall risk management and internal control systems, and action plans to address such weaknesses or improve the assessment process;
- Reviewing reports by the Group Internal Audit on the Group's business processes and operations, including action plans to address any control weaknesses identified, and receiving status updates and monitoring the implementation of such audit recommendations; and
- Reviewing reports by the Group's external and internal auditors regarding any control issues identified in the course of their work, and discussing with external and internal auditors the scope of their respective reviews and findings.

The Audit and Risk Management Committee reports its findings to the Board, which then takes them into consideration when forming its own view of the effectiveness of the Group's risk management and internal control systems.

### Hysan's Top-Down/Bottom-up Risk Management Framework



## 2025 REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL EFFECTIVENESS

In respect of the year ended 31 December 2025, the Board, with confirmation from the ED & COO, CFO, Head of Internal Audit and General Counsel & Company Secretary, considered the Group's risk management and internal control systems to be effective and adequate. No significant areas of concern, control failings or weaknesses that may affect the financial, operational and compliance controls, ESG (including climate-related) compliance, internal audit, risk management and internal control functions of the Group were identified. The Group's risk management and internal control systems are designed to manage, rather than to eliminate, the risks of failure to achieve its business objectives and can only provide reasonable, not absolute, assurance against material misstatement or loss. The Board confirms that the Company's risk management and internal control systems are appropriate and effective for the purposes set out in the CG Code.

During the review, the Board also considered the resources and staff qualifications/experience of the Group's internal audit, accounting, financial reporting and business support functions, as well as those relating to ESG (including climate-related) compliance, and found their training and budgets to be adequate.

## OUR RISK MANAGEMENT AND INTERNAL CONTROL MODEL

Our risk management and internal control model is based on that of the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") in the U.S., but with due consideration given to our organisational structure and business nature.

Our model has several components. The following section describes how our risk management and internal control model fits our operational and control environment.

- **Control Environment** – We have a strong tradition of good corporate governance and are committed to maintaining high standards of integrity, openness, probity and accountability. A formal Code of Ethics is communicated to all staff, including new recruits.

We have maintained a separate Whistleblowing Policy since 2016, under which whistleblowers can raise concerns in confidence through an independent third party, who then reports cases to the Audit and Risk Management Committee.

In January 2021 and November 2022, we adopted a separate Anti-Fraud Policy and an Anti-Bribery and Corruption Policy, respectively, to promote an ethical corporate culture and emphasise our "zero tolerance" attitude to fraud, bribery and corruption. The policies are reviewed throughout the year to ensure a healthy corporate culture and high standards of integrity and ethics through effective implementation.

Following the Risk Management Guidelines developed in 2020, we adopted a Risk Appetite Statement in June 2021 that articulates the Group's principles regarding risk acceptance in pursuit of its strategic mission and business objectives. The statement defines the type of risk scenarios the Group should avoid and the levels of exposure it should not incur, taking the varying levels of risk into consideration.

In February 2026, the Whistleblowing Policy and the Anti-Bribery and Corruption Policy were updated to reflect the latest regulatory developments. The Whistleblowing Policy further clarifies record keeping requirements and specifies the level of substantiation and evidence expected in support of reports, while the Anti-Bribery and Corruption Policy was updated to set out the steps and processes for conducting third party due diligence.

During the year, no material related issues were raised.

## Risk Management and Internal Control Report

- **Risk Assessment** – We continually improve our risk management process and the quality of information generated, while maintaining a simple and practical approach. We seek to embed risk management into all our operations (including retail, office, residential, property management and technical services, projects, marketing, and investment and strategic development) and functional areas (including finance, human resources and administration, business technology, legal and secretarial, corporate communications and sustainability departments).

Department heads review and update their risk registers on an annual basis, providing assurance that controls are appropriately embedded and are operating effectively.

At the management level, the Risk Management Committee, comprising the Chairman, ED & COO, CFO, General Counsel & Company Secretary and Head of Internal Audit, sets relevant risk management policies and regularly monitors potential weaknesses and the respective action items. The Committee is also responsible for identifying and assessing macro and strategic risks, including emerging risks.

This bottom-up approach, in which operating unit heads identify operational risks, is combined with top-down stewardship to ensure a comprehensive assessment of the Group's major risks. Discussions with all department heads further enhance the participatory and interactive aspects of our overall risk assessment and risk challenge process.

- **Control Activities** – Our business operations involve well-established business processes. The Group's control activities have traditionally been based on supervisor reviews, the segregation of duties, and well-defined physical and digital control points. These control policies have been formalised as written policies and procedures, with defined limits of delegated authority and segregated duties and controls.

The annual budgeting and planning process, one of our key control activities, takes into consideration all risk factors as well as the prevailing economic conditions and social trends. All operating units, in preparing their respective plans, are required to identify material risks that may have an impact on the achievement of their business objectives.

Action plans to mitigate identified risks are then required to be developed for implementation. Variance analyses are regularly performed and reported to the management and the Board, helping to identify deficiencies for which timely remedial actions can be taken.

The monitoring of major project expenditures is another significant control activity, as this represents a particularly capital-intensive aspect of our property business. For each project, a detailed analysis of expected risks and returns is submitted to the operating unit heads, ED & COO, CFO, Chairman and the Board for approval as appropriate. Criteria used to assess projects' business and financial feasibility are generally based on net present value, the payback period and the internal rate of return from projected cash flow, sensitivity analysis and life cycle analysis.

Management also conducts internal control self-assessments on an annual basis. All department and unit heads must complete a relevant control self-assessment questionnaire and confirm with management that appropriate internal control policies and procedures have been established and properly complied with.

- **Monitoring Activities** – The Board and the Audit and Risk Management Committee oversee the control process with assistance from our Internal Audit team. Management provides updated reports to the Audit and Risk Management Committee on major risks and appropriate mitigating measures on a regular basis. In 2025, the Audit and Risk Management Committee held four meetings (2024: four meetings) to address dynamic risks and enhance the risk management oversight function. Each meeting included a dedicated discussion of risk management, internal control systems and recent developments.

## RISK MANAGEMENT PROCESS

The Group has a robust process to review and communicate risks across its multi-level risk governance structure. This consists of (i) an ongoing process integrated into its day-to-day operations, in which risk owners dynamically evaluate and report any emerging risks they encounter to the Risk Management Committee, and (ii) a periodic risk assessment process through which key risks identified by management are systematically assessed on a regular basis.

### Ongoing Risk Monitoring Process

Risk owners and the Risk Management Committee promptly make assessments and take action in response to new or emerging risks. This is a continuous and interactive process that includes communication and consultation with stakeholders.

- New risk confronted/anticipated
- Immediate risk review
- Assess risk
- Assess mitigation actions
- Notify parties
- Brainstorm and communicate
- Enforcement

### Regular Risk Assessment Process

#### Risk Assessment

- Review and highlight key risks across different dimensions at the business unit level
- Analyse risks through detailed consideration of likelihood, impact and velocity, using established risk criteria

#### Risk Treatment

- Decide how to treat risks, based on the approaches of “Terminate, Transfer, Treat and Take” (or a combination thereof, where applicable)

#### Residual Risk and Risk Tolerance Level

- Collate the residual risk status (after risk treatment) with the risk tolerance level for each key risk
- Determine any further actions needed to close any risk gap

#### Risk Reporting

- Translate risk registers into a risk radar analysis
- Summarise and reflect the prioritised key risks of the Group

# Risk Management and Internal Control Report

## HYSAN'S "THREE LINES OF DEFENCE" MODEL

Clear responsibilities and robust controls are vital to help manage risks. In 2017, we reinforced our risk governance structure by adopting the "Three Lines of Defence" model to address how specific duties related to risk and control should be assigned and coordinated within the Group. This has reinforced Hysan's risk management capabilities and compliance culture across all divisions and functions.



The model aims to reinforce Hysan's risk management capabilities and compliance culture throughout the Group. The responsibilities of each of the defence lines are as follows:



## OUR RISK PROFILE

Our approach for managing risk is underpinned by our understanding of our current risk exposures as well as how our risks are changing over time. The following table illustrates the nature of our major risks. Further analysis of our strategies is set out in other sections of this Annual Report as indicated below.

| Risk area                    | Risk level changes during 2025 | Description of risk change   | Our mitigating measures  |
|------------------------------|--------------------------------|--|--|
| Overall business environment | —                              | <ul style="list-style-type: none"> <li>Commercial property markets continued to be pressured while economic activities and consumer confidence in the Chinese Mainland and Hong Kong are recovering.</li> <li>Uncertainties in U.S. trade policy, trade tensions, and export controls remained, while global geopolitical conflicts continued.</li> </ul>  | <ul style="list-style-type: none"> <li>Execution of our strategic plan to curate our core Lee Gardens portfolio enhanced competitiveness.</li> <li>Investments in our growth pillars to diversify revenue sources.</li> <li>Executed our strategy with financial discipline and preserved liquidity.</li> <li>Continued to improve operational efficiency and productivity and prioritise resources to capture business opportunities.</li> </ul>  |
| Office sector                | ▲                              | <ul style="list-style-type: none"> <li>Office market was soft and faced strong competition.</li> <li>New office supply continued to pressure the vacancy rate and overall market rental price.</li> </ul>  | <ul style="list-style-type: none"> <li>Diverse and dynamic leasing efforts widened our tenant mix and captured demand from various sectors.</li> <li>Embraced the Flex trend and widened our Flex offer through our Greater Bay Area Flex business.</li> <li>Offered tailored solutions to increase the marketability of office units.</li> <li>The upcoming Lee Garden Eight, along with covered walkways and bridges, will enhance sustainability and connectivity.</li> </ul>   |
| Retail sector                | —                              | <ul style="list-style-type: none"> <li>Hong Kong retail sales showed improvement year-on-year but retail market remained challenging due to ongoing changes in consumption patterns.</li> <li>Changes in tourist and consumer behaviour, shifting from merchandise to experiential trades.</li> <li>Competition from Shenzhen, Hainan and other major cities continued to intensify.</li> <li>Competition among major shopping malls regarding promotions and loyalty incentives.</li> </ul> | <ul style="list-style-type: none"> <li>Dynamic refinement and active curation of our trade mix and shopping experience reinforced our market position.</li> <li>A resilient and sustainable tenant portfolio.</li> <li>Strengthened our long-term partnerships with strategic tenants.</li> <li>Leveraged marketing messages and campaign creativity to drive visitation and customer spending.</li> <li>Continued to deliver differentiated loyalty programmes, enhanced digital engagement and user experience for Club Avenue and Hy! Members.</li> </ul> |
| Residential sector           | —                              | <ul style="list-style-type: none"> <li>Hong Kong's residential market recorded solid rebound in 2025.</li> <li>Inflows of talents and expatriates continued to support demand.</li> </ul>  | <ul style="list-style-type: none"> <li>Diversified our marketing channel and agents.</li> </ul>  |

# Risk Management and Internal Control Report

| Risk area   | Risk level changes during 2025 | Description of risk change   | Our mitigating measures   |
|---|--------------------------------|--|---|
| Tai Po Residential Development Project              | —                              | <ul style="list-style-type: none"> <li>Improved sentiment for luxury residential market.</li> <li>Competition continued to be intense.</li> </ul>  | <ul style="list-style-type: none"> <li>Aligning our sales programme with the property market demand.</li> </ul>   |
| Lee Garden Eight Construction                       | —                              | <ul style="list-style-type: none"> <li>Construction progress was satisfactory.</li> </ul>  | <ul style="list-style-type: none"> <li>Ensured the project is carefully and professionally designed.</li> <li>Continued to adopt innovative, cost-efficient construction approach and technology.</li> <li>Executive Committee closely monitored and managed construction costs and progress.</li> </ul>  |
| Shanghai Investment Property – Lee Gardens Shanghai | —                              | <ul style="list-style-type: none"> <li>Competition in Shanghai leasing market continued to be intensified.</li> </ul>  | <ul style="list-style-type: none"> <li>Built on our competitive advantages by extending the Lee Gardens brand and high-quality property management services to Shanghai.</li> <li>Developed a strong and experienced local team with support from Hong Kong Head Office.</li> <li>Dynamic leasing strategies to curate a solid portfolio.</li> </ul>  |
| Human Resources                                     | —                              | <ul style="list-style-type: none"> <li>Competition remained fierce for attracting skilled personnel, including those in frontline operations and management positions, to support our growth strategy.</li> </ul>  | <ul style="list-style-type: none"> <li>Continued to implement a working environment and benefits focused on wellbeing.</li> <li>Enhanced staff productivity through technology and process automation.</li> <li>Developed talent via internal training and our leadership programme.</li> <li>Strengthened our employer brand.</li> </ul>   |
| Cyber security                                      | —                              | <ul style="list-style-type: none"> <li>Increased risk of cyber security attacks on corporations, including cyber and physical security breaches, system failures, phishing attacks, computer viruses and malicious software, could lead to operational disruptions, reputational damage and claims from third parties.</li> <li>Similar cyber security risks are faced by our third-party information system service providers.</li> </ul> | <ul style="list-style-type: none"> <li>Regular cyber security reviews and upgrades organised to identify and mitigate risks.</li> <li>Security awareness programme raised awareness of cyber security for all staff.</li> <li>Engaged external professionals to perform information security review on technical infrastructure and cyber security maturity.</li> <li>Cyber security policies and procedures, as well as insurance for cyber risk, continued.</li> <li>Ongoing monitoring of key risk indicators.</li> <li>No direct or third-party cyber security breaches were reported for the year ended 31 December 2025.</li> </ul> |

| Risk area                                       | Risk level changes during 2025 | Description of risk change  | Our mitigating measures   |
|---|--------------------------------|---|---|
| ESG (including climate change)                  | —                              | <ul style="list-style-type: none"> <li>• New requirements on ESG compliance are evolving.</li> <li>• Extreme weather events continued to pose threats on our operations and management of the buildings.</li> </ul> | <ul style="list-style-type: none"> <li>• Continuously reviewed the requirements of ESG compliance and expectations of stakeholders with sustainability performance.</li> <li>• Kept sustainability-related policies and procedures up to date; and refined operational procedures on an ongoing basis.</li> <li>• Conducted regular risk assessments and enhanced preventive measures for extreme weather events.</li> <li>• Established decarbonisation roadmap and scenario analysis related to physical and transition risk assessment, including both short and long-term initiatives, towards the objective of net zero carbon.</li> </ul> |
| Customer Data Protection and Privacy Protection | —                              | <ul style="list-style-type: none"> <li>• As applications of business technology continued to widen, personal data were collected through digital platforms and other channels.</li> </ul>                           | <ul style="list-style-type: none"> <li>• Data Privacy Management Group continued to oversee the privacy risks and control system, and further introduced new measures for personal information management.</li> <li>• Regular data privacy compliance review.</li> <li>• Continued to monitor stringent privacy policies and procedures, with strict compliance by all employees and service providers.</li> <li>• A centralised data privacy inventory is in place to track the risks and controls of personal data privacy.</li> <li>• No customer data loss cases or customer privacy breaches reported in the last three years.</li> </ul>  |
| Anti-fraud and Anti-corruption                  | —                              | <ul style="list-style-type: none"> <li>• External service providers and third parties are engaged to provide business and technological solutions.</li> </ul>   | <ul style="list-style-type: none"> <li>• Continued to monitor the Anti-fraud Policy, including established anti-fraud procedures and guidelines.</li> <li>• Updated the Anti-bribery and Corruption Policy to set out the steps and processes for conducting third party due diligence.</li> <li>• Regularly update our Code of Ethics and Whistleblowing Policy, and the independent whistleblowing channel.</li> <li>• Identified potential fraud risks across the Group; no material related cases reported in the last three years.</li> </ul>  |

Notes:

- ▲ where “inherent risks” have increased (i.e. before taking into consideration mitigating activities)
- ▼ where “inherent risks” have decreased
- where “inherent risks” have remained broadly the same

# Risk Management and Internal Control Report

## ENHANCEMENTS TO THE INTERNAL CONTROL ENVIRONMENT AND ACTIVITIES IN 2025

In addition to the actions described above, the following outlines examples of the improvements we have made to strengthen our risk management and internal control systems:

|  |   |  |
|--|---|--|
| <b>Control Environment<br/>– Compliance policies</b>                                       | <ul style="list-style-type: none"> <li>• We have established clear guidelines for policy owners regarding the establishment and ongoing review of corporate policies and procedures. This ensures our policies and procedures adequately address business and strategic developments and mitigate relevant emerging risks.</li> <li>• We conduct annual reviews of the Anti-fraud Policy, the Anti-bribery and Corruption Policy, and the Group's Whistleblowing Policy to ensure there are adequate guidelines for our fraud risk management, as well as for the prevention and detection of misappropriation.</li> </ul>  | <ul style="list-style-type: none"> <li>– Ongoing review process in place to ensure compliance</li> </ul>   |
| <b>Control Environment<br/>– Risk Assessment and Control Self-Assessment Questionnaire</b> | <ul style="list-style-type: none"> <li>• An online system is in place to facilitate our risk owners' annual risk assessments as well as a control self-assessment questionnaire.</li> </ul>   | <ul style="list-style-type: none"> <li>– Systematic and efficient control assessment</li> </ul>  |
| <b>Control Environment<br/>– Ethics of the Group</b>                                       | <ul style="list-style-type: none"> <li>• Our audits continue to evaluate the design, implementation and effectiveness of the Group's ethics-related objectives, programmes and activities from various perspectives. These include tone at the top, reporting structures, communications, and so forth. Below are some examples of past audits that have included ethical elements:             <ul style="list-style-type: none"> <li>• Group-wide procurement review in 2025 and 2024</li> <li>• Human Resources operation review in 2024</li> <li>• Finance and Treasury review in 2023</li> <li>• Fraud risk management in Marketing Operation in 2022</li> <li>• Corporate Communications Review, in which sustainability governance was covered, in 2022</li> <li>• Cultural audit in 2021</li> <li>• Data privacy audits in 2025, 2024, 2023 and 2020</li> <li>• Fraud risk management in Residential Operation in 2021</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>– Maintain high level of ethical standards for the employees of the Group</li> </ul>  |
| <b>Control Activities<br/>– internal controls and policies and procedures</b>              | <ul style="list-style-type: none"> <li>• Reviews were conducted to evaluate the group procurement process, provide assurance over procurement governance, and drive process improvement.</li> <li>• A data privacy compliance review was conducted for the Group to ensure full compliance with Group standards.</li> <li>• Conducted a retail lease operation review.</li> <li>• Conducted an annual information security review.</li> </ul>   | <ul style="list-style-type: none"> <li>– Continual review and refinement of internal controls and policies and procedures to keep risk management and internal controls aligned with the fast-changing business environment</li> </ul> |
| <b>Monitoring Activities<br/>– Cost review of development projects</b>                     | <ul style="list-style-type: none"> <li>• We conduct ongoing and periodic reviews of the costs and controls of development projects, as the Group continues to execute several strategic developments, including the Caroline Hill Road Site Project and major asset enhancement projects. These reviews aim to ensure proper cost management and control of development projects.</li> </ul>  | <ul style="list-style-type: none"> <li>– Ongoing review process in place to ensure proper development cost control</li> </ul>  |

The Risk Management Committee  
Hong Kong, 26 February 2026

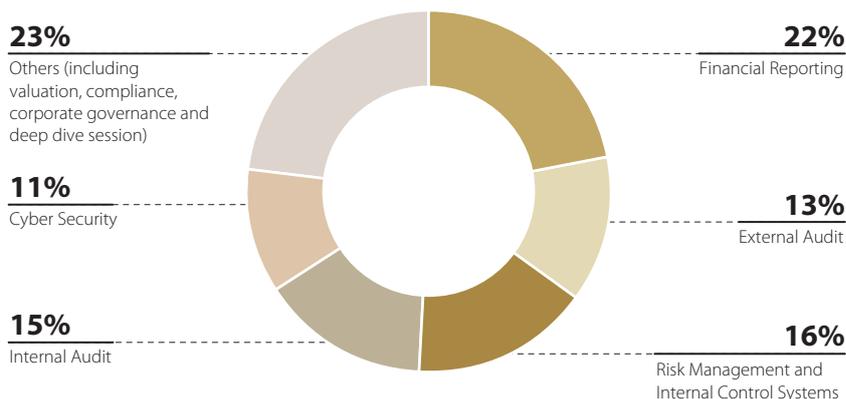
# Audit and Risk Management Committee Report

## Dear Shareholders,

We are pleased to present the report of the Audit and Risk Management Committee for 2025, which provides an overview of the work undertaken by the Committee during the year.

In 2025, the Committee continued to play a key oversight role for the Board in reviewing the Group's risk management and internal control systems, monitoring internal and external auditors, and overseeing and reviewing the financial reporting and Listing Rules compliance process. The Committee further provided independent and impartial oversight in relation to the overall risk management approach of the Group. Recommendations were also made on the Group's risk appetite, profile and tolerance.

## Committee activities and agenda time during the year



|                                    |  |
|------------------------------------|--|
| <b>Composition in 2025</b>         | Churchouse Frederick Peter* (redesignated as the chairman on 5 June 2025)<br>Zhang Yong*<br>Lee Anthony Hsien Pin<br>Poon Chung Yin Joseph* (ceased to be the chairman and a member on 5 June 2025)<br><br>* INED  |
| <b>Independence Weighting</b>      | 66.7%  |
| <b>Meeting Schedule</b>            | <ul style="list-style-type: none"> <li>Four meetings were held during the year, with two of those meetings specifically focused on addressing dynamic risks (including cyber security) and enhancing the risk management oversight function</li> <li>Two private sessions were held with external and internal auditors, in a confidential setting without the presence of management, that facilitate open and candid dialogue</li> </ul>   |
| <b>Highlights in 2025 and 2026</b> | <ul style="list-style-type: none"> <li>Deep dive sessions with the external auditor and independent professional valuers on the reasonableness of property and investment valuations</li> <li>Deep dive sessions with external professionals on the capital market outlook and funding dynamics</li> <li>Quarterly reviews of cash flow projections and bank facilities to ensure ongoing financial robustness</li> <li>Discussed and assessed the key risks, opportunities and strategic implication arising from the adoption of artificial intelligence. Reviewed the Group's current artificial intelligence adoption, applications and practices</li> <li>Conducted the annual data privacy compliance review</li> <li>Conducted an annual review on information security and general controls on information technology</li> <li>Conducted quarterly cost reviews of the Lee Garden Eight construction</li> <li>Conducted a group-wide procurement review</li> <li>Conducted a retail operation review</li> <li>Ongoing monitoring and enhancement of risk management and internal control systems in accordance with the Listing Rules and other regulatory requirements</li> </ul> |

# Audit and Risk Management Committee Report

## ROLES AND AUTHORITIES

The Audit and Risk Management Committee's main roles and authorities are to:

- Oversee the Group's financial management and reporting processes and monitor the work carried out by the external auditor;
- Review and assess the Company's risk management and internal control systems;
- Review reports on major risks faced by the Group;
- Assess and review the risk appetite, profile and tolerance of the Group;
- Review resource adequacy and staff qualifications, skillsets and experience in the Group's internal audit, accounting and financial reporting functions, as well as their training programmes and budget;
- Review and ensure adequacy of corporate policies and procedures and effectiveness of the Group's compliance framework;
- Review the effectiveness of the Company's internal audit function; and
- Oversee the Company's relationship with the external auditor and provision of non-audit services.

## ACTIVITIES

Details of the meeting held in February 2025 are set out in the 2024 Annual Report.

From March 2025 to February 2026, the Audit and Risk Management Committee held four meetings. The Board Chairman and senior management (including the ED & COO, CFO and General Counsel & Company Secretary), internal auditor, external auditor and independent professional valuer presented updates and answered relevant questions to facilitate the Committee's decision-making process. Details of matters discussed in the meetings are given below.

### Meetings of the Audit and Risk Management Committee Over the Past 12 Months

| June 2025  | August 2025   | November 2025   | February 2026  |
|--|---|---|--|
| <ul style="list-style-type: none"> <li>• Internal Audit Report</li> <li>• Cyber security</li> <li>• Risk Management Deep-Dive: Capital Market Outlook &amp; Funding Dynamics</li> <li>• Legal and Regulatory Update</li> </ul> | <ul style="list-style-type: none"> <li>• Interim Results</li> <li>• Property Valuations</li> <li>• Internal Audit Report</li> <li>• External Auditor Report</li> <li>• Legal and Regulatory Update</li> </ul> | <ul style="list-style-type: none"> <li>• External Audit Progress Report</li> <li>• Risk Assessment</li> <li>• Internal Audit Report</li> <li>• Cyber security</li> <li>• Annual Review of Adequacy of Resources</li> <li>• Legal and Regulatory Update</li> </ul> | <ul style="list-style-type: none"> <li>• Annual Results</li> <li>• Internal Audit Report</li> <li>• Property Valuations</li> <li>• Annual Review of Risk Management and Internal Control Effectiveness</li> <li>• Effectiveness and Independence of External Auditor</li> <li>• External Audit Completion Report</li> <li>• External Audit Plan For 2026</li> <li>• Annual Review of Continuing Connected Transactions</li> <li>• Legal and Regulatory Update</li> </ul> |

## FINANCIAL REPORTING

The Audit and Risk Management Committee reviewed and discussed with management and the external auditor, and recommended to the Board the approval of the unaudited financial statements for the first six months ended 30 June 2025, the audited financial statements for the year ended 31 December 2025, and the Independent Auditor's Report for the year ended 31 December 2025, prior to their publication.

Within this process, management is responsible for the preparation of the Group's financial statements, including the selection and application of appropriate accounting policies, while the external auditor is responsible for auditing and attesting to the Group's financial statements and evaluating the Group's system of internal controls in this regard. Directors' responsibility for the financial statements is set out in the Corporate Governance section of this Annual Report.

The Committee's review and recommendations were based on the external auditor's review work, as well as the following:

- Discussions with the external auditor and internal auditor regarding the scope of their respective reviews and findings;
- Discussions with management regarding significant parameters and judgements affecting the Group's financial statements, including the valuation of investment properties as at 30 June 2025 and 31 December 2025 by the independent professional valuer, Knight Frank Petty Limited; and
- A joint review with both management and the external auditor of the key audit matters included in the Independent Auditor's Report for the year ended 31 December 2025.

## REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Key initiatives in relation to our review of risk management and internal control systems during the year are given below:

### Corporate Policies and Procedures

We set out clear guidelines for policy owners regarding the establishment and ongoing review of corporate policies and procedures. This ensures the policies and procedures adequately address the business and strategic developments and mitigate the relevant emerging risks.

The Group made strong progress on strategic growth initiatives, including the Lee Garden Eight development, Lee Gardens Rejuvenation Project, and the ramp-up of operations at Lee Gardens Shanghai, underpinned by a robust risk management and internal control framework. In view of the significance of these key developments, we reviewed the Group-wide procurement process to reinforce procurement controls and ensure their operating effectiveness.

### Data Privacy

The Data Privacy Management Group, comprising compliance experts from the management team, oversees the data privacy risks and control system of the Group.

An annual data privacy compliance review was conducted for the Group (including the Shanghai operation), ensuring compliance with applicable laws as well as relevant corporate policies and statements regarding the collection, use, storage and retention of personal data.

Data privacy management procedures are in place with clear guidelines on data collection, access, data inventory maintenance, internal and external communication, and incident response protocols.

To further ensure staff awareness of handling personal information and adherence to data privacy management procedures in all functional areas, all employees were required to complete mandatory annual training in data privacy to refresh their knowledge and understanding of the latest data privacy practices and regulations.

# Audit and Risk Management Committee Report

## Internal Controls

Each year, the Group carries out an annual internal control self-assessment. In 2025, all department and unit heads completed a control self-assessment questionnaire tailored to their specific operations and functional risks. This process promotes alignment between the leadership's tone at the top and the bottom-up insights and risk assessments provided by the functional teams.

Furthermore, we maintained our commitment to the continuous monitoring and strengthening of our internal controls. This effort aligns with the requirements of the Listing Rules and other relevant regulatory standards.

## Capital and Financial Management

In response to the risks stemming from economic uncertainties and the Group's capital commitment to major construction projects, we have intensified our monitoring and control processes for managing our capital management, liquidity buffer and cost controls. The management team undertakes several key actions to ensure financial robustness by (i) constantly evaluating the Company's credit metrics, cash deployment, funding plans, liquidity buffers, and funding costs to maintain financial health and manage exposure to market changes, (ii) taking appropriate action in view of the market environment and outlook, and (iii) providing comprehensive updates to the Board through quarterly and ad hoc reports, ensuring transparency and informed decision-making at all levels.

## INFORMATION SECURITY

The Audit and Risk Management Committee places great emphasis on information security and has a primary oversight responsibility for cyber security risks. The topic of information security is a regular item on the Committee's meeting agendas. During the meetings, senior management provided regular updates on matters relating to information security of the Group, including regular reviews and assurance on the security of the infrastructure and updates on system enhancements. The Committee dedicated substantial time to numerous discussions on this issue.

### Annual Information Security Review

In 2025, we engaged external experts to conduct an independent comprehensive review of the Group's information system and technical infrastructure, assessing cyber security maturity and all network changes implemented throughout the year. This evaluation helped identify and mitigate potential cyber security risks and vulnerabilities, guiding our efforts to fortify key information technology infrastructure and enhance network protection.

### Ongoing Cyber Security Management

During the year, the Committee undertook an ongoing review of the Group's information systems to confirm that our current cyber security measures meet essential standards and requirements for effectively safeguarding the Group against cyber threats. After a thorough review of updates from management and assessments by external professional experts, the Committee concluded that our information security system is both adequate and fit for purpose.

Recognising the critical importance of cyber security awareness, we mandated annual cyber security awareness training for all employees. In 2025, we continued to implement a tailored cyber security awareness training programme, featuring a series of courses covering a broad spectrum of relevant topics. This initiative is designed to enhance the overall security posture of the Company by equipping our staff with the knowledge and skills necessary to identify, mitigate and respond to cyber security threats.

In addition, the Audit and Risk Management Committee:

- Evaluated the financial aspects of the Group's strategy implementation;
- Considered the Group's key corporate risks, including the overall business environment, operational risks and ESG (including climate-related) risks and compliance, with the overall approach set by senior management;
- Considered the key imminent risks and risk registers presented by management;
- Reviewed all legal and regulatory updates and trends that may affect the Group and their implications;
- Reviewed the methodology used by the Group's independent professional valuer, Knight Frank Petty Limited, in the valuation of its investment properties and discussed the key judgements made by the valuer;
- Reviewed resource adequacy and staff qualifications and experience in the Group's internal audit, accounting and financial reporting functions, as well as their training programmes and budget; and
- Reviewed the annual risk management and internal control systems performance for 2025, based on the following:
  - Reports from the GIA on the review of the Company's continuing connected transactions for the year ended 31 December 2025, as well as the adequacy and effectiveness of the related internal control procedures;
  - Regular reports from management regarding major risks, movements in risk levels and mitigating actions, as well as special reports on major risk items identified (as detailed above);
  - Regular reports from the GIA, including the implementation status of its recommendations;
  - Certification and confirmation of controls' effectiveness by management, covering financial, operational and compliance controls, ESG (including climate-related) compliance, internal audit, risk management and internal control, as well as the adoption of a control self-assessment questionnaire across the operating departments; and
  - Confirmation from the external auditor that it had not identified any control weaknesses in respect of the Group's financial reporting cycle during its audit.

The Audit and Risk Management Committee was satisfied with the adequacy and effectiveness of the Company's risk management and internal control systems, including resource adequacy and staff qualifications and experience in the Group's accounting, financial reporting and internal audit functions, as well as their training programmes and budget. No significant areas of concern that might affect financial, operational and compliance controls, ESG compliance (including climate-related compliance), cyber security, internal audit, risk management or internal control were identified.

## Audit and Risk Management Committee Report

### THE FOLLOWING MEASURES ARE IN PLACE TO ENSURE THE INDEPENDENCE OF EXTERNAL AUDITOR:

- Detailed assessment of the external auditor's independence, service quality and remuneration level;
- Annual confirmation of the auditor's independence issued by the external auditor;
- A rotation arrangement for the lead audit partner was established and implemented by the external auditor;
- The lead audit partner is required to comply with professional ethical standards and independence policies and requirements applicable to the work performed;
- The award of any non-audit services provided by the Group's external auditor (and their affiliates) is subject to the Group's procurement policy, which is consistent with all other third-party vendor relationships;
- All non-audit services were pre-approved by the Audit and Risk Management Committee; and
- Appropriate policies and procedures have been established to identify audit and non-audit services, as well as prohibited non-audit services that might impair the independence of the auditor. The external auditor confirmed its independence with regard to the non-audit services provided.

A summary of the external auditor's services and fees for the years ended 31 December 2025 and 2024 is as follows:

|                                    | <b>2025</b><br><b>HK\$ million</b> | 2024<br>HK\$ million |
|------------------------------------|------------------------------------|----------------------|
| Audit services                     | <b>4.0</b>                         | 3.5                  |
| Non-audit services                 |                                    |                      |
| – Recurring (Note a)               | <b>0.2</b>                         | 0.6                  |
| – One-time transactional           |                                    |                      |
| • Technology services (Note b)     | <b>3.2</b>                         | 7.4                  |
| • Issuance of perpetual securities | <b>0.5</b>                         | –                    |
| <b>Total</b>                       | <b>7.9</b>                         | 11.5                 |

Notes:

- (a) Recurring services include review, statutory compliance, regulatory or government procedures required to comply with financial, accounting or regulatory report matters.
- (b) Technology services include system integration and application management services for customer relationship management platforms.

## EXTERNAL AUDITOR

The Group engaged Deloitte Touche Tohmatsu as the external auditor of the Company and regards their independence as crucial to the effectiveness of our corporate governance. In overseeing the Group's relationship with the external auditor and ensuring its independence, the Audit and Risk Management Committee:

- Reviewed and considered the terms of engagement of the external auditor in respect of the Group's 2025 results (including the 2025 annual audit, the related results announcement, and the annual review of continuing connected transactions) and the annual update regarding its MTN Programme;
- Reviewed the audit progress report of the external auditor;
- Reviewed the annual assessment of the auditor's independence, qualifications, expertise and services, and remained satisfied with the same;
- Reviewed and considered the 2025 audit service plan of the external auditor and the terms of its engagement in respect of the 2025 interim results review; and
- Recommended to the Board that the Shareholders be asked to re-appoint Deloitte Touche Tohmatsu as the Group's external auditor for 2025.

The Audit and Risk Management Committee and the Group were satisfied that the auditor's independence and objectivity were not in any way impaired by the provision of non-audit services.

## INTERNAL AUDIT

The Audit and Risk Management Committee reviewed the internal audit plan regarding the key risks and business strategy of the Group, details of specific significant internal audit findings, management responses to audit reports issued during the year, and regular reports on their implementation status. Following the Group's three-year audit plan, Internal Audit continually conducted projects that highlighted control gaps for management rectification. Audit findings were presented via audit reports, including management responses regarding the status of subsequent follow-up and implementation.

## EVALUATION

The Board and Board Committee evaluation process, which took place during the year, concluded that the Audit and Risk Management Committee was effective in fulfilling its roles in 2025. For details, please refer to the "Board Evaluation" section of the Corporate Governance Report (pages 88 to 91).

Members' attendance records are disclosed in the table on page 83.

Members of the Audit and Risk Management Committee

**Churchouse Frederick Peter** (Chairman)  
**Zhang Yong**  
**Lee Anthony Hsien Pin**

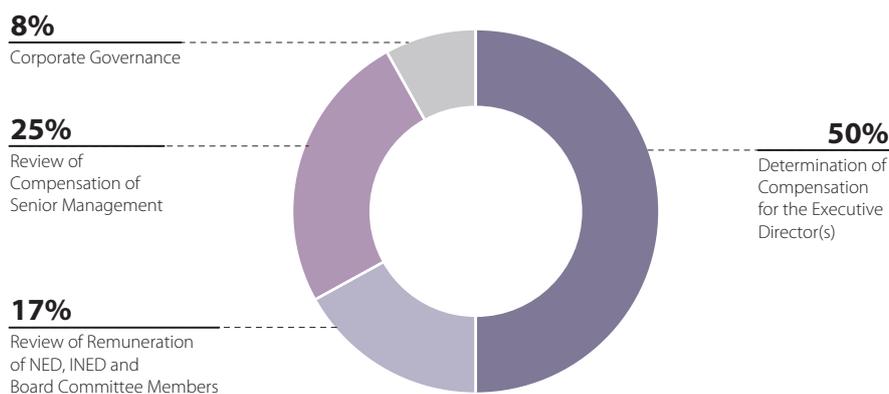
Hong Kong, 26 February 2026

# Remuneration Committee Report

## Dear Shareholders,

We are pleased to present the Remuneration Committee Report for 2025. The primary roles of the Remuneration Committee are to advise the Board on the formulation of remuneration policy, to determine the remuneration and incentive packages for Directors and senior management, and to ensure that the remuneration packages are commensurate with the qualifications and competencies of the Directors and senior management and are in the best interests of the Company and its Shareholders.

### Committee activities and agenda time during the year



|                                    |   |
|------------------------------------|---|
| <b>Composition in 2025</b>         | Chung Cordelia* (Chairman)<br>Churchouse Frederick Peter*<br>Young Elaine Carole*<br><br>* INED   |
| <b>Independence Weighting</b>      | 100%  |
| <b>Meeting Schedule</b>            | <ul style="list-style-type: none"> <li>At least one meeting every year</li> <li>One meeting in 2025</li> </ul>  |
| <b>Highlights in 2025 and 2026</b> | <ul style="list-style-type: none"> <li>Considered remuneration for Directors and senior management</li> <li>Considered the Group's compensation structure</li> <li>Reviewed its terms of reference</li> </ul> |

## ROLES AND AUTHORITIES

The Remuneration Committee's main roles and authorities are to:

- Review the Group's framework and general policies for the remuneration of EDs and senior management and make recommendations to the Board;
- Review and determine the remuneration of EDs and senior management as recommended by management;
- Review and make recommendations to the Board on the fees of NEDs, INEDs and Board Committee members prior to Shareholders' approval at the general meetings; and
- Review matters related to share incentive plans (including matters related to share schemes under Chapter 17 of the Listing Rules), changes to the key terms of pension plans, and the key terms of any new compensation and benefits plans that have a material financial, reputational and strategic impact on the Company.

## ACTIVITIES

The EDs and management may be invited to Remuneration Committee meetings to present updates and/or answer relevant questions in order to facilitate the decision-making process. No Director is involved in deciding his or her own remuneration.

Details of the meeting held in February 2025 are set out in the 2024 Annual Report. In February 2026, the Remuneration Committee held a meeting to:

- Approve the EDs' 2026 compensation packages and 2025 performance-based bonuses;
- Review the fees for NEDs, INEDs and Board Committee members;
- Review and determine the compensation packages of senior management; and
- Review the terms of reference of the Remuneration Committee.

Members' attendance records are disclosed in the table on page 83.

## REMUNERATION POLICY

We recognise the importance of a transparent remuneration policy and practice, which are underpinned by three cornerstones:

1. Effective Corporate Governance
  - No Director is involved in deciding his or her own remuneration;
  - Compensation packages of EDs are reviewed and approved by the Remuneration Committee;
  - Remuneration of NEDs and INEDs are approved by the Board upon the recommendation of the Remuneration Committee and subject to Shareholders' approval;
  - Compensation packages of senior management and department heads are reviewed and approved by the Remuneration Committee; and
  - Independent professional advice is to be sought where appropriate.

## Remuneration Committee Report

### 2. Market Benchmarking

- Hong Kong property developers and companies listed on the main board of the Stock Exchange with investment property business were selected as comparators for benchmarking Director's fees and remuneration of EDs and senior management.

### 3. Performance-linked

- Remuneration packages and structures for EDs and senior management shall reflect a fair reward system for all participants, taking into account both quantitative and qualitative assessments of performance in the forms of financial and operational targets and behavioural competencies that align with the Group's long-term strategy, corporate culture and core values.
- With the aim of incentivising a proper balance between business performance and long-term sustainable growth, long-term contributions shall be reviewed and evaluated based on, among others, the pre-determined long-term objectives and development plan, considering also the alignment with the Group's long-term strategy, corporate culture and core values, etc.

## REMUNERATION POLICY FOR EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT

The Group's approach is to provide a fair market level of remuneration to attract, retain and motivate high-quality EDs, senior management and employees. At the same time, rewards must be aligned with the Company's strategy, corporate culture, core values, performance and Shareholders' interests.

The following principles of remuneration for EDs and senior management have been established:

- The Remuneration Committee shall determine the overall amount of each component of remuneration, taking into account:
  - (i) both quantitative and qualitative assessments of performance;
  - (ii) the achievement of financial and operational key performance targets; and
  - (iii) behavioural competencies that align with the Group's long-term strategy, corporate culture and core values;
- Remuneration policy and practices shall be as transparent as possible and reviewed regularly, independent of executive management;
- Grantees of the share schemes of the Company shall develop significant personal shareholdings through executive share incentive schemes, in order to align their interests with those of the Shareholders;
- Remuneration packages shall be set at levels that ensure comparability and competitiveness with Hong Kong-based companies competing for a similar talent pool, with special emphasis on the real estate industry. Independent professional advice is to be sought where appropriate; and
- Pay and employment conditions elsewhere in the Group shall be taken into account.

In reviewing and determining remuneration for EDs and senior management, the Remuneration Committee will take into account their overall achievements with respect to the following determining factors, each with a series of measures:

| Components                   | Determining Factors   |
|------------------------------|---|
| <b>Fixed compensation</b>    |   |
| Base salary and allowances   | <ul style="list-style-type: none"> <li>Market trends: increments in line with general and real estate industry norms</li> <li>Market benchmarks relevant to role and job scope</li> <li>Company performance (with reference to the Group's turnover growth, occupancy rate, property expenses ratio, underlying profit, etc.)</li> <li>Individual performance and contribution<sup>Note 1</sup>, measured against annual financial and operational targets (turnover, expense ratio, earnings per share ("EPS"), portfolio year-end occupancy, achievement of key strategic initiatives, etc.)</li> </ul> |
| <b>Variable compensation</b> |   |
| Performance bonus            | <ul style="list-style-type: none"> <li>Company performance (with reference to the Group's turnover growth, occupancy rate, property expenses ratio, underlying profit, etc.)</li> <li>Individual performance and contribution<sup>Note 1</sup>, measured against annual financial and operational targets (turnover, expense ratio, EPS, portfolio year-end occupancy, achievement of key strategic initiatives, etc.)</li> <li>Actual bonus payout ranges from 0–200% of target bonus, which is set as a percentage of annual base salary</li> </ul>   |
| Share incentives             | <ul style="list-style-type: none"> <li>Company performance (with reference to the Group's turnover growth, occupancy rate, property expenses ratio, underlying profit, etc.)</li> <li>Corporate KPIs<sup>Note 2</sup>, individual performance and potential, as well as long-term contribution<sup>Note 3</sup> to the Company</li> <li>Level of share options and/or share awards granted is based on a prescribed grant multiple of annual base salary<sup>Note 4</sup></li> </ul>  |

Notes:

- Employees are required to undergo mid-year and annual performance appraisals, during which individual performance targets (financial and operational) are set. Performance is continually monitored throughout the year and evaluated against these performance targets semi-annually. Performance assessments on the achievement of performance targets and behavioural competencies that align with the Group's long-term strategy, corporate culture and core values were conducted, culminating in an individual performance rating that will determine the fixed and variable compensation outcomes.
- The grant of share incentives is contingent upon the fulfilment of specific corporate level performance conditions, including the KPIs on Group's turnover growth, occupancy rate, property expenses ratio, and underlying profit. Under the 2024 Share Award Scheme, the vesting of Performance Shares is determined by company performance, measured as Total Shareholder Return. For details, please refer to the relevant section in this Remuneration Committee Report.
- With the aim of incentivising a proper balance between business performance and long-term sustainable growth, long-term contribution is reviewed and evaluated based on, among others, the pre-determined long-term objectives and development plan, considering also the alignment with the Group's long-term strategy, corporate culture and core values, etc.
- The size of the grant will be determined based on a multiple of the base salary and relevant individual performance metrics. The Board regularly reviews both the grant and vesting structures to ensure alignment with the goals of the share incentive schemes, as well as the long-term strategy, corporate culture and core values of the Group.

In February 2026, the Remuneration Committee held a meeting to consider the annual base salaries of Ms. Lee Irene Yun-Lien and Mr. Lui Kon Wai. The Remuneration Committee approved and recommended for the Board's approval their 2026 annual fixed base salaries of HK\$8,446,000 and HK\$6,102,000 respectively, and 2025 performance-based bonus amounts of HK\$11,124,000 and HK\$5,953,000, respectively.

Details of Directors' remuneration, including individual EDs and senior management's emoluments for 2025, as well as changes in share options and/or share awards for EDs during the year, are set out in notes 10, 11 and 36, respectively, to the consolidated financial statements.

# Remuneration Committee Report

## Remuneration Policy for NEDs and INEDs

These are the key guiding principles of the remuneration for our NEDs and INEDs:

- Remuneration shall be set at an appropriate level to attract and retain first-class non-executive talent;
- Remuneration of NEDs and INEDs shall be set by the Board and subject to Shareholders' approval at the general meetings and should be proportional to their commitment and contribution to the Company;
- Remuneration practices shall be consistent with recognised best practices and standards for the remuneration of the NEDs and INEDs;
- Remuneration shall be in the form of cash, payable semi-annually; and
- NEDs and INEDs shall not receive share options and/or share awards from the Company.

In 2025, NEDs and INEDs received no compensation from the Group other than the Directors fees disclosed below. None of the NEDs and INEDs received any pension benefits from the Company, nor did they participate in any bonus or incentive schemes.

NEDs and INEDs received fees totalling HK\$3,198,000 during 2025.

## Director Fee Levels

Director fees are subject to Shareholders' approval at general meetings. In February 2026, the Remuneration Committee duly considered a number of factors, including the level of responsibility, experience and abilities required of the Directors, the level of care and amount of time required, employment conditions elsewhere in the Group, as well as the fees offered for similar positions in comparable companies requiring the same talent. The Remuneration Committee recommended, and the Board endorsed and proposed, changes to the fees of the chairmen and members of certain Board Committees as set out below for Shareholders' consideration and approval at the forthcoming 2026 AGM.

The current and proposed fees for the NEDs, INEDs and Board Committee members are set out below. EDs do not receive any Director fees.

|  | Current Fee<br>Per annum<br>HK\$ | Proposed Fee<br>Per annum<br>HK\$ |
|--|----------------------------------|-----------------------------------|
| <b>Board</b>                               |                                  |                                   |
| NED and INED                               | 280,000 (Note 1)                 | 280,000 (Note 3)                  |
| <b>Audit and Risk Management Committee</b> |                                  |                                   |
| Chairman                                   | 180,000 (Note 1)                 | 180,000 (Note 3)                  |
| Member                                     | 108,000 (Note 1)                 | 120,000 (Note 4)                  |
| <b>Remuneration Committee</b>              |                                  |                                   |
| Chairman                                   | 75,000 (Note 1)                  | 80,000 (Note 4)                   |
| Member                                     | 45,000 (Note 1)                  | 50,000 (Note 4)                   |
| <b>Nomination Committee</b>                |                                  |                                   |
| Chairman                                   | 50,000 (Note 1)                  | 50,000 (Note 3)                   |
| Member                                     | 30,000 (Note 1)                  | 30,000 (Note 3)                   |
| <b>Sustainability Committee</b>            |                                  |                                   |
| Chairman                                   | 50,000 (Note 2)                  | 55,000 (Note 4)                   |
| Member                                     | 30,000 (Note 2)                  | 33,000 (Note 4)                   |

Notes:

1. Approved by Shareholders at the 2019 AGM and took effect on 1 June 2019.
2. Approved by the Board and established with effect from 1 January 2020.
3. No change is proposed.
4. Subject to Shareholders' approval at the 2026 AGM.

### Human Resources Practices

The Group aims to attract, retain and develop high-calibre individuals who are committed to attaining our objectives and aligning with Hysan's corporate culture and core values. The total number of employees of the Group as at 31 December 2025 was 507 (2024: 520). The Group's human resources practices are aligned with our corporate objectives in order to maximise Shareholder value and achieve sustainable growth. Details of our human resources programmes, training and development are set out in our Sustainability Report 2025.

### Long-term Incentives: Share Schemes

#### Share Option Schemes

The Company may grant options under executive share option schemes as adopted from time to time (the "Share Option Schemes"). The purpose of such schemes is to strengthen the connection between individual employees and Shareholders' interests.

The Board may, at its discretion, appoint a scheme administrator to administer, manage and implement the Share Option Schemes according to the respective scheme rules. The Remuneration Committee is authorised by the Board to administer the Share Option Schemes, including the granting of options to management staff below the ED level. The power to grant options to EDs is also vested in the Remuneration Committee, with endorsement by all INEDs being required under the Listing Rules.

#### The 2005 Share Option Scheme

The Company adopted the 2005 Share Option Scheme at its AGM held on 10 May 2005 (the "2005 AGM"), which had a term of 10 years and expired on 9 May 2015. All outstanding options granted under the 2005 Share Option Scheme continued to be valid and exercisable in accordance with the provisions of the 2005 Share Option Scheme, and subsequently lapsed during the year. No further option will be granted under the 2005 Share Option Scheme.

Under the 2005 Share Option Scheme, options to subscribe to the ordinary shares of the Company may be granted to employees of the Company or any of its wholly-owned subsidiaries (including EDs), as well as such other persons as the Board may consider appropriate from time to time, on the basis of their contribution to the development and growth of the Company and its subsidiaries.

The maximum number of shares in respect of which options may be granted under the 2005 Share Option Scheme and any other share option scheme of the Company shall not exceed the maximum number of shares permissible under the Listing Rules, being 10% of the total number of shares in issue as at the date of the 2005 AGM (being 104,996,365 shares, representing approximately 10% of the total number of issued shares of the Company as at the date of this Annual Report).

The maximum entitlement of each participant under the 2005 Share Option Scheme must not, during any 12-month period, exceed the maximum number of shares permissible under the Listing Rules (which is 1% of the total number of shares in issue as at the date of the 2005 AGM, being 10,499,636 shares). The exercise price shall be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; and (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. The consideration for each grant of option is HK\$1 and is required to be paid within 30 days from the date of grant, with full payment for the exercise price to be made upon the exercise of the relevant option.

#### The 2015 Share Option Scheme

The Company adopted the 2015 Share Option Scheme at its AGM held on 15 May 2015 (the "2015 AGM"), which has a term of 10 years and expired on 14 May 2025. The terms of the 2015 Share Option Scheme are substantially the same as those of the 2005 Share Option Scheme. All outstanding options granted will continue to be valid and exercisable in accordance with the provisions of the 2015 Share Option Scheme. No further option will be granted under the 2015 Share Option Scheme.

## Remuneration Committee Report

Under the 2015 Share Option Scheme, options to subscribe to the ordinary shares of the Company may be granted to employees of the Company or any of its subsidiaries (including EDs), as well as such other persons as the Board may consider appropriate from time to time, on the basis of their contribution to the development and growth of the Company and its subsidiaries.

The maximum number of shares in respect of which options may be granted under the 2015 Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed the maximum number of shares permissible under the Listing Rules, being 10% of the total number of shares in issue as at the date of the 2015 AGM (being 106,389,669 shares, representing approximately 10% of the total number of issued shares of the Company as at the date of this Annual Report). Under the Listing Rules, a listed issuer may seek approval from its shareholders in a general meeting to “refresh” the 10% limit under the 2015 Share Option Scheme. In addition, the total number of shares that may be issued upon the exercise of all outstanding options granted but not yet exercised under the 2015 Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time (or the maximum number of shares permissible under the Listing Rules). No options may be granted where such a grant would result in this 30% limit or the maximum permissible limit being exceeded.

The maximum entitlement of each participant under the 2015 Share Option Scheme must not, during any 12-month period, exceed the maximum number of shares permissible under the Listing Rules (which is 1% of the total number of shares in issue as at the date of the 2015 AGM, being 10,638,966 shares). The exercise price shall be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant; and (ii) the average closing prices of the shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant. The consideration for each grant of option is HK\$1 and is required to be paid within 30 days from the date of grant, with full payment for the exercise price to be made upon the exercise of the relevant option.

### Grant and vesting structures

Under the Company’s current policy, grants are to be made on a periodic basis, subject to fulfilment of specific corporate level performance conditions, including Group’s turnover growth, occupancy rate, property expenses ratio and underlying profit, whereas the size of the grant will be determined based on a multiple of the base salary and relevant individual performance metrics. The exercise period is 10 years. The vesting period is three years in equal proportions starting from the first anniversary of the grant, with the shares becoming fully vested on the third anniversary. The size of the grant will be determined with reference to a base salary multiple and job performance metrics. The Board reviews the grant and vesting structures from time to time.

### Movement of share options

Since the 2005 Share Option Scheme expired on 9 May 2015, no option was available for grant under the 2005 Share Option Scheme as at 1 January 2025 and 31 December 2025, respectively. No option was granted under the 2005 Share Option Scheme during the year.

The number of options available for grant under the scheme mandate limit of the 2015 Share Option Scheme as at 1 January 2025 was 99,699,340 and no option was available for grant as at 31 December 2025. During the period from 1 January 2025 to 14 May 2025 (date of expiry of the 2015 Share Option Scheme), no option was granted under the 2015 Share Option Scheme.

As at date of this Annual Report, share options exercisable into a total of 6,239,400 ordinary shares of the Company (“Shares”) granted and fully vested under the 2015 Share Option Scheme remained outstanding, representing approximately 0.61% of the total number of issued shares of the Company.

Details of options granted, exercised, lapsed, cancelled and outstanding under the Share Option Schemes during the year are as follows:

| Name                               | Date of grant | Exercise price<br>HK\$ | Exercise period<br>(Note a) | Outstanding<br>options as at<br>1.1.2025 | Changes during the year |           |                    |                       | Outstanding<br>options as at<br>31.12.2025 |
|------------------------------------|---------------|------------------------|-----------------------------|--|-------------------------|-----------|--------------------|-----------------------|--|
|                                    |               |                        |                             |  | Granted                 | Exercised | Lapsed<br>(Note b) | Cancelled<br>(Note c) |  |
| <b>2005 Share Option Scheme</b>    |               |                        |                             |  |                         |           |                    |                       |  |
| <b>Executive Director</b>          |               |                        |                             |  |                         |           |                    |                       |  |
| Lee Irene Yun-Lien                 | 12.3.2015     | 36.27                  | 12.3.2016–11.3.2025         | 300,000                                  | –                       | –         | (300,000)          | –                     | –  |
| <b>Other employee participants</b> | 31.3.2015     | 34.00                  | 31.3.2016–30.3.2025         | 5,000                                    | –                       | –         | (5,000)            | –                     | –  |
|                                    |               |                        |                             | 305,000                                  | –                       | –         | (305,000)          | –                     | –  |

| Name                            | Date of grant                      | Exercise price<br>HK\$ | Exercise period<br>(Note a) | Outstanding<br>options as at<br>1.1.2025 | Changes during the year |           |                    |                       | Outstanding<br>options as at<br>31.12.2025 |        |
|---------------------------------|------------------------------------|------------------------|-----------------------------|--|-------------------------|-----------|--------------------|-----------------------|--|--------|
|                                 |                                    |                        |                             |  | Granted                 | Exercised | Lapsed<br>(Note b) | Cancelled<br>(Note c) |  |        |
| <b>2015 Share Option Scheme</b> |                                    |                        |                             |  |                         |           |                    |                       |  |        |
| <b>Executive Directors</b>      |                                    |                        |                             |  |                         |           |                    |                       |  |        |
| Lee Irene Yun-Lien              | 9.3.2016                           | 33.15                  | 9.3.2017–8.3.2026           | 375,000                                  | –                       | –         | –                  | –                     | 375,000                                    |        |
|                                 | 23.2.2017                          | 36.25                  | 23.2.2018–22.2.2027         | 300,000                                  | –                       | –         | –                  | –                     | 300,000                                    |        |
|                                 | 1.3.2018                           | 44.60                  | 1.3.2019–29.2.2028          | 373,200                                  | –                       | –         | –                  | –                     | 373,200                                    |        |
|                                 | 22.2.2019                          | 42.40                  | 22.2.2020–21.2.2029         | 494,200                                  | –                       | –         | –                  | –                     | 494,200                                    |        |
|                                 | 21.2.2020                          | 29.73                  | 21.2.2021–20.2.2030         | 650,000                                  | –                       | –         | –                  | –                     | 650,000                                    |        |
|                                 | 26.2.2021                          | 33.05                  | 26.2.2022–25.2.2031         | 664,000                                  | –                       | –         | –                  | –                     | 664,000                                    |        |
|                                 | 28.2.2022                          | 23.25                  | 28.2.2023–27.2.2032         | 819,000                                  | –                       | –         | –                  | –                     | 819,000                                    |        |
| Lui Kon Wai                     | 29.3.2018                          | 41.50                  | 29.3.2019–28.3.2028         | 179,000                                  | –                       | –         | –                  | –                     | 179,000                                    |        |
|                                 | 29.3.2019                          | 42.05                  | 29.3.2020–28.3.2029         | 203,000                                  | –                       | –         | –                  | –                     | 203,000                                    |        |
|                                 | 31.3.2020                          | 25.20                  | 31.3.2021–30.3.2030         | 262,000                                  | –                       | –         | –                  | –                     | 262,000                                    |        |
|                                 | 31.3.2021                          | 30.40                  | 31.3.2022–30.3.2031         | 267,000                                  | –                       | –         | –                  | –                     | 267,000                                    |        |
|                                 | 28.2.2022                          | 23.25                  | 28.2.2023–27.2.2032         | 400,000                                  | –                       | –         | –                  | –                     | 400,000                                    |        |
|                                 | <b>Other employee participants</b> | 31.3.2016              | 33.05                       | 31.3.2017–30.3.2026                      | 20,000                  | –         | –                  | –                     | –  | 20,000 |
|                                 |                                    | 31.3.2017              | 35.33                       | 31.3.2018–30.3.2027                      | 74,000                  | –         | –                  | –                     | –  | 74,000 |
|                                 | 29.3.2018                          | 41.50                  | 29.3.2019–28.3.2028         | 124,000                                  | –                       | –         | –                  | –                     | 124,000                                    |        |
|                                 | 29.3.2019                          | 42.05                  | 29.3.2020–28.3.2029         | 174,000                                  | –                       | –         | (4,000)            | –                     | 170,000                                    |        |
|                                 | 31.3.2020                          | 25.20                  | 31.3.2021–30.3.2030         | 223,000                                  | –                       | –         | (5,000)            | –                     | 218,000                                    |        |
|                                 | 31.3.2021                          | 30.40                  | 31.3.2022–30.3.2031         | 276,000                                  | –                       | –         | (7,000)            | –                     | 269,000                                    |        |
|                                 | 31.3.2022                          | 23.36                  | 31.3.2023–30.3.2032         | 389,000                                  | –                       | –         | (11,000)           | –                     | 378,000                                    |        |
|                                 |                                    |                        |                             | 6,266,400                                | –                       | –         | (27,000)           | –                     | 6,239,400                                  |        |

Notes:

- All options granted have a vesting period of three years in equal proportions, starting from the first anniversary of the grant and becoming fully vested on the third anniversary. "Exercise period" accordingly begins with the first anniversary of the date of grant.
- Options lapsed during the year in accordance with the rules of the Share Option Schemes.
- Options cancelled during the year in accordance with the rules of the Share Option Schemes.

Save as disclosed above, there is no further information which is required to be disclosed under Rule 17.07 of the Listing Rules.

# Remuneration Committee Report

## The 2024 Share Award Scheme

### Terms & Purposes

The Company, on 19 January 2024 (the "Adoption Date"), adopted the 2024 Share Award Scheme. With a term of 10 years from the Adoption Date, the 2024 Share Award Scheme shall remain in force until 18 January 2034, subject to any early termination as may be determined by the Board pursuant to the scheme rules. The purposes of the 2024 Share Award Scheme are (i) to attract and retain critical talent and drive long-term commitment; (ii) to drive performance and a culture of excellence; and (iii) to instil a culture of accountability, engagement and sense of ownership within the Group.

### Administration

The Board has delegated the administration of the 2024 Share Award Scheme to the Remuneration Committee, which consists solely of INEDs. This delegation ensures proper governance when reviewing and deciding on proposed grants of the share awards, guaranteeing that the administrator of the 2024 Share Award Scheme shall not be a participant in the scheme, aligning the objectives of the 2024 Share Award Scheme with Shareholders' interests.

### Eligible Participants

Pursuant to the 2024 Share Award Scheme, the Remuneration Committee, as authorised by the Board, may, from time to time, exercise its absolute discretion in selecting any employee (for this purpose only, including without limitation, any Director) of any member of the Group (other than any Excluded Employee (as defined in the Company's announcement dated 19 January 2024)) for participation (the "Selected Employee"), and grant such number of Shares (the "Awarded Shares") to any Selected Employee at no consideration and subject to such terms and conditions as it may in its absolute discretion determine.

### Maximum number of Shares

The maximum number of Shares that may be awarded under the 2024 Share Award Scheme during its term is limited to 20,540,164 Shares, representing approximately 2% of the issued share capital of the Company as at the Adoption Date.

### Maximum entitlement

The maximum number of Awarded Shares that may be granted under the 2024 Share Award Scheme to any Selected Employee shall not exceed 0.5% of the issued share capital of the Company from time to time (being 5,135,041 Shares as at the date of this Annual Report).

### Purchase of Shares by the 2024 Scheme Trustee

Shares under the 2024 Share Award Scheme will be purchased on the Stock Exchange at the prevailing market price, by BOCI Trustee (Hong Kong) Limited (the "2024 Scheme Trustee"), the trustee of the 2024 Share Award Scheme, at the cost of the Company and the Awarded Shares will be held by the 2024 Scheme Trustee in trust for the relevant Selected Employee(s) under the 2024 Share Award Scheme until vesting.

During the year, 156,000 Shares were purchased by the 2024 Scheme Trustee on the Stock Exchange for the purpose of the 2024 Share Award Scheme. As at 31 December 2025, 126 unvested Shares were held by the 2024 Scheme Trustee.

### Grant and Vesting

As delegated by the Board, the Remuneration Committee has the authority to determine the granting and the vesting period of the Awarded Shares under the 2024 Share Award Scheme.

Awarded Shares comprise: (i) performance shares (“Performance Shares”) and (ii) restricted shares (“Restricted Shares”). Generally, a higher proportion of Performance Shares would be granted to senior management to place greater emphasis on linking incentives with Hysan’s long-term strategy and value creation for Shareholders. The Restricted Shares are intended to attract and retain critical talent, especially at the junior and middle levels. The vesting period and structure are carefully designed to promote these objectives:

- (i) Performance Shares will vest on the third anniversary of the date of grant subject to the achievement of Company’s performance target. This target is measured by relative Total Shareholder Return (“TSR”), which takes into consideration share price performance and dividend, over a three-year performance period. Hysan’s TSR is compared against a group of pre-determined peer companies to determine the percentile rank, which in turn establishes a direct linkage between the vesting percentage and shareholder value creation. The target performance level for TSR is the 50th percentile of peer companies’ performance, while the maximum performance level is the 80th percentile or above of peer companies’ performance, at which 150% of the target number of Performance Shares will vest.
- (ii) Restricted Shares have a vesting period of three years in equal proportions, starting from the first anniversary of the grant and becoming fully vested on the third anniversary. This enhances attraction, motivation and retention of talent through time-vesting.

The 2024 Share Award Scheme incorporates clawback mechanisms to recover, cancel, forfeit or withhold any Awarded Shares for both good and bad leaver scenarios.

In determining the number of Awarded Shares granted to Selected Employees, the following key factors are considered: (i) individual performance rating, potential and expected long-term contribution to the Group, (ii) the financial condition and performance of the Group (such as turnover, expense ratio, EPS, portfolio year-end occupancy, achievement of key strategic initiatives, etc.), as well as (iii) alignment with the Group’s long-term strategy, corporate culture and core values in the achievement of the pre-determined long-term objectives and development plan.

#### **Basis of determining the purchase price of Awarded Shares**

Not applicable.

#### **Movement of Share Awards**

During the year, a total of 49,255 Awarded Shares were granted to Selected Employees at nil consideration under the 2024 Share Award Scheme. As at date of this Annual Report, 19,243,957 Shares are available for grant under the 2024 Share Award Scheme, representing approximately 1.87% of the total number of issued Shares as at the date of this report.

# Remuneration Committee Report

Movements in the Awarded Shares during the year are set out below:

| Name  | Date of Grant | Vesting period    | Fair Value<br>per Awarded<br>Share<br>HK\$<br>(Note a) | Closing price<br>of Shares<br>immediately<br>before the date<br>of grant<br>HK\$ | Unvested as at<br>1.1.2025 | Changes during the year |                    |                    |                       | Unvested as at<br>31.12.2025 |
|---|---------------|-------------------|--|--|----------------------------|-------------------------|--------------------|--------------------|-----------------------|------------------------------|
|   |               |                   |  |  |                            | Granted                 | Vested<br>(Note g) | Lapsed<br>(Note e) | Cancelled<br>(Note f) |                              |
| <b>2024 Share Award Scheme</b>  |               |                   |  |  |                            |                         |                    |                    |                       |                              |
| <b>Executive Directors</b>  |               |                   |  |  |                            |                         |                    |                    |                       |                              |
| Lee Irene Yun-Lien  | 1.4.2024      | 1.4.2025–1.4.2027 | 12.62  | 12.62  | 463,369                    | –                       | (46,337)           | –                  | –                     | 417,032                      |
| Lui Kon Wai   | 1.4.2024      | 1.4.2025–1.4.2027 | 12.62  | 12.62  | 269,925                    | –                       | (26,992)           | –                  | –                     | 242,933                      |
| <b>Five highest paid individuals (excluding the Executive Directors) during the Review Period (“Five Highest Paid Individuals”)</b> |               |                   |  |  |                            |                         |                    |                    |                       |                              |
|   | 1.4.2024      | 1.4.2025–1.4.2027 | 12.62  | 12.62  | 259,648                    | –                       | (30,846)           | –                  | –                     | 228,802                      |
|   | 1.4.2025      | 1.4.2026–1.4.2028 | 12.60<br>(Note b)                                      | 12.60  | –                          | 16,204<br>(Note c)      | –                  | –                  | –                     | 16,204                       |
| <b>Other grantees</b>   |               |                   |  |  |                            |                         |                    |                    |                       |                              |
|   | 1.4.2024      | 1.4.2025–1.4.2027 | 12.62  | 12.62  | 302,035                    | –                       | (51,699)           | (45,870)           | –                     | 204,466                      |
|   | 1.4.2025      | 1.4.2026–1.4.2028 | 12.60<br>(Note b)                                      | 12.60  | –                          | 33,051<br>(Note d)      | –                  | (2,155)            | –                     | 30,896                       |
|   |               |                   |  |  | 1,294,977                  | 49,255                  | (155,874)          | (48,025)           | –                     | 1,140,333                    |

Notes:

- The Group has adopted the accounting standard in accordance with HKFRS 2 – Share-based Payment. According to HKFRS 2, the fair value of the employee services received in exchange for the grant of the Awarded Shares is recognised as an expense, with a corresponding increase in equity, over the vesting period of the Awarded Shares. The amount recognised as an expense is adjusted to reflect the number of Awarded Shares for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of Awarded Shares that meet the related service and non-market performance conditions at the vesting date.
- The fair value of the Awarded Shares was calculated based on the closing price of the Shares immediately before the date of grant (i.e. 31 March 2025), which was HK\$12.60 per share.
- Among the 16,204 Awarded Shares granted to the Five Highest Paid Individuals, 4,861 Awarded Shares are Restricted Shares and 11,343 Awarded Shares are Performance Shares.
- Among the 33,051 Awarded Shares granted to other grantees, 13,221 Awarded Shares are Restricted Shares and 19,830 Awarded Shares are Performance Shares.
- Awarded Shares lapsed during the year in accordance with the rules of the 2024 Share Award Scheme.
- Awarded Shares cancelled during the year in accordance with the rules of the 2024 Share Award Scheme.
- In respect of Awarded Shares which vested during the year ended 31 December 2025, the weighted average closing price of the Shares immediately before the relevant vesting dates (i.e. 31 March 2025) was HK\$12.60 per Share.

Save as disclosed above, there is no further information which is required to be disclosed under Rule 17.07 of the Listing Rules.

The total number of shares that may be issued in respect of options and awards granted under all share schemes of the Company during the year ended 31 December 2025 was 19,243,957, representing approximately 1.87% of the weighted average number of issued shares of the relevant class in issue (excluding treasury shares) of the Company for the year ended 31 December 2025, which was 1,027,008,223 shares.

During the year, the Remuneration Committee reviewed and endorsed the grant of share awards under the 2024 Share Award Scheme.

## **COMMITTEE EFFECTIVENESS**

The Committee's effectiveness was formally reviewed during the year as part of the Board evaluation process, which concluded that the Committee continues to operate effectively.

Members of the Remuneration Committee

**Chung Cordelia** (Chairman)  
**Churchouse Frederick Peter**  
**Young Elaine Carole**

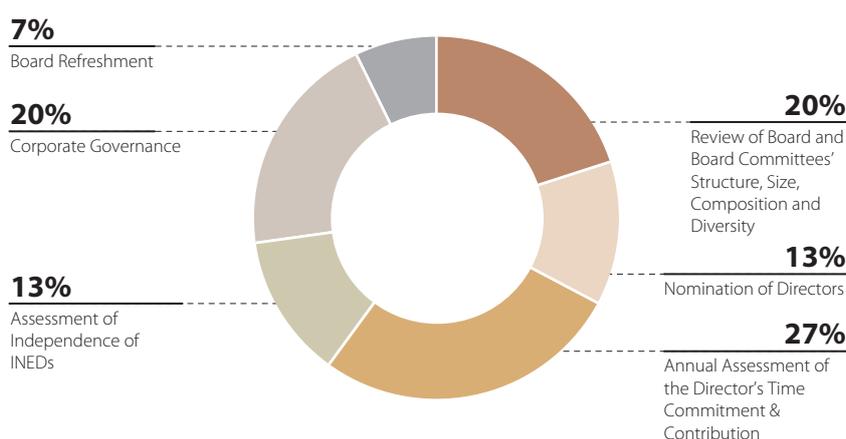
Hong Kong, 26 February 2026

# Nomination Committee Report

## Dear Shareholders,

We are pleased to present the Nomination Committee Report for 2025. The primary roles of the Nomination Committee are to review the Board's structure, size, composition and diversity, to ensure our Nomination Policy and selection processes remain aligned with good practices, and to recommend Board appointments and succession planning. The roles of the Directors continue to evolve in line with the growing demands of regulatory requirements and a fast-changing business environment. The Board is constantly looking ahead to ensure our Directors possess the skills, knowledge, experience and diversity of perspectives required to complement the Company's strategy, VMVs and desired culture. During the year, we were pleased to welcome Ms. Wong Ching Ying Belinda as a member of the Nomination Committee.

## Committee activities and agenda time during the year



|                               |   |
|-------------------------------|---|
| <b>Composition in 2025</b>    | <p>Lee Irene Yun-Lien (Chairman)<br/>                     Chung Cordelia*<br/>                     Churchouse Frederick Peter*<br/>                     Poon Chung Yin Joseph* (ceased to be a member on 5 June 2025)<br/>                     Wong Ching Ying Belinda* (appointed on 5 June 2025)<br/>                     Lee Chien</p> <p>* INED</p>   |
| <b>Independence Weighting</b> | 60%   |
| <b>Female Representation</b>  | 60%   |
| <b>Meeting Schedule</b>       | <ul style="list-style-type: none"> <li>At least one meeting a year</li> <li>One meeting in 2025</li> </ul>  |
| <b>Highlights in 2025</b>     | <ul style="list-style-type: none"> <li>Considered Board refreshment and Board Committee's composition</li> <li>Considered the re-appointment of Directors and independence of INEDs</li> <li>Conducted an annual assessment of time commitment and contribution to the Board by each Director</li> <li>Reviewed the Board skills matrix to assess strategic alignment with Board expertise and identify recruitment priorities</li> <li>Oversaw the achievement of measurable objectives under the Board Diversity Policy by maintaining a 40% female Board representation</li> <li>Reviewed and considered the progress made towards achieving the measurable objectives for workforce diversity</li> <li>Reviewed and updated its terms of reference</li> </ul> |

## ROLES AND AUTHORITIES

The Nomination Committee's main roles and authorities are to:

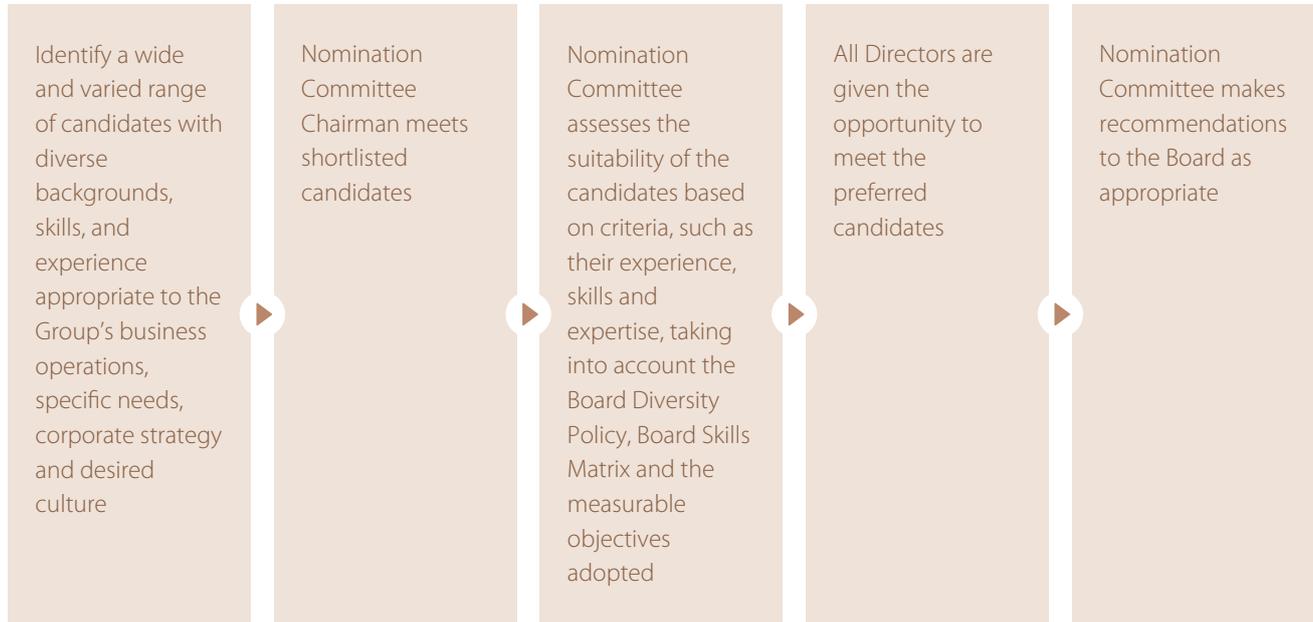
- Review and make recommendations on the structure, size and composition (including the skills, knowledge and experience) and diversity of the Board. This review considers the need for any changes or enhancements to the Board's composition, including the perspectives and further skills required to complement the Company's strategy, VMVs and desired culture;
- Oversee the implementation and review the effectiveness of the Nomination Policy, the Board Diversity Policy and Workforce Diversity Policy on an annual basis;
- Support the regular evaluation of the performance of the Board and assist the Board in maintaining and evaluating the board skills matrix;
- Assess the independence of INEDs pursuant to the Listing Rules requirements;
- Make recommendations to the Board on the appointment or reappointment of Directors, as well as any proposed changes to the Board to complement the Company's strategy;
- Oversee the general succession planning of the Board and senior management team;
- Oversee the human capital of the Group;
- Review and assess the time commitment and contribution of each Director as well as his/her ability to discharge his/her responsibilities effectively on an annual basis;
- Review the training and continuous professional development of the Directors and senior management;
- Review the gender diversity progress and evaluation of targets set for achieving gender diversity at Board level and across the workforce; and
- Recommend the nomination of Directors after careful consideration of the attributes and values required under the Company's Nomination Policy, taking into account diversity aspects (including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service, listed issuer directorships and other significant external time commitments) and our diversity agenda, as set out in the Board Diversity Policy.

**The NC runs a well-structured process for board refreshment, succession, and skills planning, helping ensure the Board remains fit for purpose.**

Directors' comments received in 2025 Board Evaluation

# Nomination Committee Report

## Director Recruitment Process



## ACTIVITIES

In 2025, the Nomination Committee held one meeting. Details of matters discussed in the Nomination Committee meeting are given below.

### Annual Assessment

During the year, the Nomination Committee conducted an annual assessment of each Director's time commitment, contributions and ability to discharge their responsibilities effectively. The assessment was carried out using criteria designed to ensure an impartial evaluation, including the following:

### Involvement on the Board and Board Committees

- Reviewed the time commitment of each Director, based on their capacities (ED, NED or INED) and their memberships in the Board Committees.
- Reviewed and assessed each Director's participation in meetings and Board affairs, including their attendance rate, consideration of Board papers, business proposals, and monthly updates from management, concerns raised and independent judgment exercised during meetings.
- Constructive advice on issues faced by the Company.
- Reviewed the 2025 Board Evaluations results, including constructive feedback.
- Reviewed the communication and engagement beyond the boardroom, including separate meetings with the Chairman and senior management, and interactions with fellow Board members.

### Familiarity with and knowledge of the business

- Reviewed the continuing professional development (time spent and topics) taken by each Director through expert briefings, seminars, readings and conferences organised by Hysan and external parties during the year, ensuring that all Directors stay abreast of relevant regulatory developments and fulfilled the recommended training hours for the year ended 31 December 2025 (please refer to pages 84 to 85 for Continuous Professional Development).

### Other Factors – Ability to Discharge Responsibilities Effectively

- Reviewed and assessed each Director’s skills and experience, ensured alignment with the Company’s strategy, VMVs and desired culture.
- Reviewed the significant external time commitments of each Director.
- Considered the integrity and transparency of each Director, including potential conflicts of interest disclosed through other directorships and significant commitments.
- Considered each Director’s adherence to corporate culture and core values of the Group.

### Composition of the Board and Board Committees

When reviewing the composition of the Board and Board Committees, the Nomination Committee took into account the following:

#### Board and Board Committees Refreshment

- Following the retirement of Mr. Poon Chung Yin Joseph as an INED, the chairman of the Audit and Risk Management Committee and a member of the Nomination Committee, with effect from 5 June 2025:
  - Considered and endorsed the nomination of Mr. Churchouse Frederick Peter as the chairman of the Audit and Risk Management Committee and recommended his re-designation for the Board’s approval. The recommendation was made on the basis of Mr. Churchouse’s expertise in asset valuation, capital management, finance and risk management.
  - Considered and endorsed the nomination of Ms. Wong Ching Ying Belinda as a member of the Nomination Committee and recommended for Board’s approval on the basis of her senior executive experience in people management, talent development and succession planning, in accordance with the Company’s Nomination Policy and Board Diversity Policy.
- Considered Board refreshment and succession planning, taking into account Hysan’s Board skills matrix, diversity agenda, measurable objectives and increasing regulatory and governance concerns regarding long-serving INEDs as well as potential new regulatory requirements.
- Recommended the re-election by rotation of Directors at the 2026 AGM to the Board.

#### Board Skills Matrix

- Assessed the structure, size, composition and diversity of the Board and Board Committees, and monitored the progress made towards enriching the skills matrix and experience of Board members, while improving Board diversity in its widest sense (including gender) in line with the Company’s strategy and to meet evolving business needs. The Nomination Committee also reviewed the availability of appropriate skills and competencies within the Board to oversee sustainability strategies, including climate-related risks and opportunities. The Nomination Committee was satisfied that the current composition and size of the Board is appropriate for the time being.
- Reviewed the Board skills matrix to map the current expertise of the Board as a strategic tool to identify future recruitment priorities. This mapping ensures that the nomination process remains objective and that any potential skill gaps are addressed in considering Board refreshment and succession planning.
- The Board continued to engage Ms. Li Xinzhe Jennifer as an advisor to the Board to enrich the Board’s skills and diversity and support its strategic decision-making.

# Nomination Committee Report

## Board and Workforce Diversity

The Nomination Committee reviewed the Board's diversity agenda and the progress made in achieving its measurable objectives under the Board Diversity Policy. Having achieved its target by maintaining 40% of female Board representation during the year, the Nomination Committee will continue to monitor the Group's progress in refreshing its Board against its aim to achieve and maintain a Board with a broad range of diversity perspectives, with the ultimate goal of achieving gender parity at the Board level.

The Nomination Committee also reviewed the gender diversity of its members and is satisfied with the current composition of three female committee members (60% female), which is above the Listing Rules requirement.

The Nomination Committee further reviewed the progress made in achieving the measurable objective under the Workforce Diversity Policy of maintaining at least 40% female employees (including female senior management) and reaffirmed its commitment to inclusion and diversity throughout the Group's recruitment and promotion processes.

## Independence of INEDs

The Nomination Committee assessed the independence and commitment of each INED during the year. Details of Board Independence, including the process of Independence Assessment, are set out on pages 76 to 79.

The Nomination Committee and the Board were thus satisfied that, notwithstanding the length of service of each INED, as well as the number and nature of offices they hold in other public companies and/or their other significant commitments, they remained highly committed, are independent and impartial, and continue to be in a position to discharge their duties and responsibilities in the coming year.

## Review of Policies

During the year, the Nomination Committee reviewed the Nomination Policy, the Board Diversity Policy and the Workforce Diversity Policy in accordance with the CG Code. The review covered the respective measurable objectives of the Board and the workforce, as well as the progress made toward achieving them. All these policies are available on the Company's website.

## COMMITTEE EFFECTIVENESS

The Nomination Committee's effectiveness was formally reviewed during the year as part of the 2025 Board Evaluation process, which concluded that the Nomination Committee continues to operate effectively, with a clear division of responsibilities and a strong commitment to Board refreshment and diversity.

Members of the Nomination Committee

**Lee Irene Yun-Lien** (Chairman)

**Chung Cordelia**

**Churchouse Frederick Peter**

**Wong Ching Ying Belinda**

**Lee Chien**

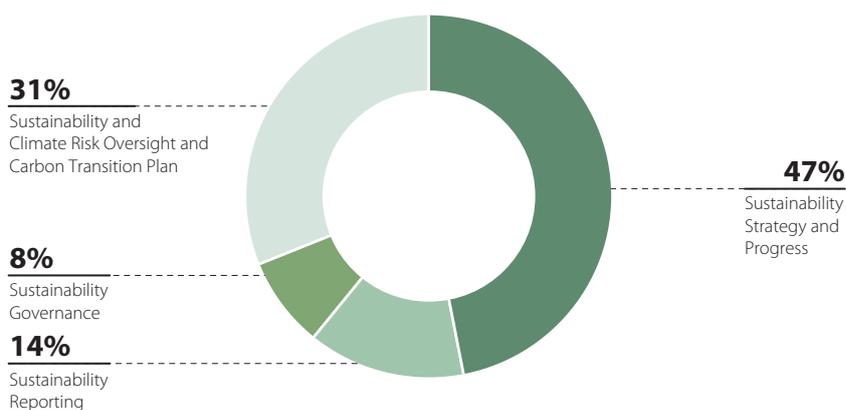
Hong Kong, 26 February 2026

# Sustainability Committee Report

## Dear Shareholders,

We are pleased to present the Sustainability Committee Report for 2025. The primary roles of the Sustainability Committee are to review and oversee the Group's overall vision and action plans for sustainability development, corporate responsibility, and related policies. The Committee is tasked with bringing sustainability-related issues including climate-related matters, to the attention of the Board. It also assesses and makes recommendations on matters concerning the Group's sustainability risks and opportunities, including those associated with climate.

## Committee activities and agenda time during the year



|                                    |   |
|------------------------------------|---|
| <b>Composition in 2025</b>         | Young Elaine Carole* (Chairman)<br>Wong Ching Ying Belinda*<br>Lee Tze Hau Michael<br><br>* INED  |
| <b>Independence Weighting</b>      | 66.7%   |
| <b>Meeting Schedule</b>            | <ul style="list-style-type: none"> <li>At least one meeting every year</li> <li>Two meetings in 2025</li> </ul>   |
| <b>Highlights in 2025 and 2026</b> | <ul style="list-style-type: none"> <li>Reviewed the Group's sustainability strategy and progress</li> <li>Assessed sustainability risks and issues, including the climate-related risks and opportunities</li> <li>Reviewed the need for updates to relevant policies or guidelines in response to the latest sustainability developments</li> <li>Reviewed the alignment and progress of the Group's sustainability targets and decarbonisation roadmap with SBTi requirements</li> <li>Reviewed the sustainability performance, including the status of climate-related actions.</li> <li>Reviewed the quarterly progress of key sustainability programmes and initiatives</li> <li>Reviewed and endorsed the sustainability report</li> <li>Reviewed and updated the Sustainable Procurement Policy</li> </ul> |

# Sustainability Committee Report

## ROLES AND AUTHORITIES

The Sustainability Committee's main roles and authorities are to:

- Review and endorse the Group's corporate responsibility and sustainability plans, strategies and policies, practices and frameworks, and report to the Board;
- Review and evaluate the adequacy and effectiveness of the actions taken by the Group, based on its corporate responsibility and sustainability plans, strategies, priorities, policies and frameworks, and recommend improvements;
- Review, assess and bring any sustainability-related risks and issues, including climate-related matters, to the attention of the Board and the Audit and Risk Management Committee as part of its oversight of the Group's overall enterprise risk management process;
- Monitor and review existing and/or emerging issues, trends and investments related to the corporate responsibility and sustainability priorities of the Group;
- Monitor and review the Group's corporate responsibility and sustainability policies and practices to ensure they remain relevant and compliant with legal and regulatory requirements (including, but not limited to, the Environmental, Social and Governance Reporting Code issued by the Stock Exchange and the Listing Rules); and
- Review the annual sustainability report and relevant disclosures in the Company's annual report and provide recommendations to the Board for approval.

**The SC provides clear leadership on sustainability priorities and is increasingly embedding ESG considerations into company strategy and reporting.**

Directors' comments received in 2025 Board Evaluation

## ACTIVITIES

Details of the meeting held in February 2025 were set out in the 2024 Annual Report.

From March 2025 to February 2026, the Sustainability Committee held two meetings and received quarterly updates on the sustainability progress of the Group from the management. Management (including the representative from the Sustainability Department) attended the meetings to present updates and answer questions and facilitate the Committee's decision-making process. Details of matters reported, discussed and/or considered during the year are given below.

### Activities and Agenda of the Sustainability Committee Over the Past 12 Months

| June 2025 Meeting  | August Quarterly Update  | November Quarterly Update   | February 2026 Meeting   |
|--|--|---|---|
| <ul style="list-style-type: none"> <li>Sustainability Progress Update Q1 &amp; Q2 2025</li> <li>Progress Update of carbon emission target and decarbonisation roadmap</li> <li>Review of the Group's Sustainability Strategy &amp; Framework and the associated corporate targets</li> <li>Update on policies, regulations and guidelines</li> </ul> | <ul style="list-style-type: none"> <li>Sustainability Progress Update as at August 2025 (KPI performance)</li> <li>Review of corporate-target progress across environmental, social, and governance areas</li> <li>Review of carbon-emission targets and the decarbonisation roadmap as part of climate-related oversight</li> <li>Review of major community programmes and internal training initiatives delivered during the period</li> </ul> | <ul style="list-style-type: none"> <li>Sustainability Progress Update as at October 2025</li> <li>Review of corporate-target progress across environmental, social, and governance areas</li> <li>Review of carbon-emission targets and the decarbonisation roadmap as part of climate-related oversight</li> <li>Review of major community programmes and internal training initiatives delivered during the period</li> <li>Updated the Community Green Pledge preparation and tenant engagement</li> </ul> | <ul style="list-style-type: none"> <li>Sustainability Progress Update – Full year 2025</li> <li>Sustainability Report 2025</li> <li>Review of regulatory changes and related updates to policies and guidelines</li> <li>Update on status of climate actions and other sustainability performance</li> <li>Annual review of the adequacy of resources for sustainability functions</li> <li>Annual review of sustainability related risks (including climate-related risks)</li> <li>Annual review of sustainability-related policies</li> <li>Annual review of the Committee's terms of reference</li> </ul> |

### The Group's Sustainability Strategies & Framework

The Committee reviewed the Group's sustainability framework, which structures the sustainability strategy refined in 2024 and the associated KPIs and initiatives cascaded across all departments. It confirmed that the strategic framework remains appropriate and effective after a full year of implementation.

The Committee assessed potential sustainability-related risks and challenges, including climate-related risks and opportunities, benchmarked against international standards and industry peers, and subsequently reviewed the related action plans. Material sustainability matters, including climate-assessment progress and the status of decarbonisation efforts, were identified and reported to the Board.

# Sustainability Committee Report

## Sustainability Overview and Initiatives

In terms of the Group's sustainability activities and initiatives, the Committee:

- Ensured the Group's engagement strategy remains forward-looking and effective, with community programmes continuing to serve as a defining part of Hysan's heritage and a core pillar of its sustainability strategy;
- Reviewed sustainability measures supporting community and employee well-being, including safety and health;
- Reviewed the Group's sustainable finance framework, including instruments and initiatives supporting eligible green and social projects;
- Reviewed sustainability efforts and achievements against established objectives;
- Reviewed climate-related initiatives, assessing their effectiveness, impact and the action plans implemented to enhance the Group's climate response; and
- Reviewed long-term and short-term sustainability targets across the Group and assessed progress towards achieving them.

## The Group's Climate and Environmental Performance

In terms of the Group's carbon emission target and decarbonisation road map, the Committee:

- Reviewed SBTi-based carbon-reduction targets and evaluated progress toward achieving these commitments;
- Reviewed the Group's decarbonisation strategy supporting near-term targets and the advancements made; and
- Reviewed other environmental targets and reduction strategies, including proposed waste-reduction and water-reduction targets.

## Sustainability Governance

With regard to sustainability governance, the Committee:

- Reviewed, endorsed and reported to the Board and the Audit and Risk Management Committee, as part of its oversight of the Group's enterprise risk management, on the major sustainability-related risks including climate-related risks and opportunities and the associated mitigation measures, as detailed in the Risk Management and Internal Control Report;
- Reviewed the sustainability governance framework, including the adequacy of resources for sustainability performance and reporting;
- Reviewed the Committee's terms of reference to support ongoing enhancement of the sustainability governance structure; and
- Reviewed sustainability-related policies, including the Climate Change Policy, for effectiveness in identifying, assessing, monitoring and reporting climate-related issues.

More details are set out in the Sustainability Report 2025.

## COMMITTEE EFFECTIVENESS

The Committee's effectiveness was formally reviewed during the year as part of the Board evaluation process. The review concluded that the Group continues to deliver its sustainability responsibilities effectively and appropriately, consistent with the organisation's resourcing environment.

Members of the Sustainability Committee

**Young Elaine Carole** (Chairman)

**Wong Ching Ying Belinda**

**Lee Tze Hau Michael**

Hong Kong, 26 February 2026

# Sustainability Report 2025 – Summary

This summary provides an overview of Hysan’s Sustainability Report 2025 (the “Sustainability Report”), presenting our sustainability approach and ESG performance for the year ended 31 December 2025. The Sustainability Report is prepared in accordance with the HKEX ESG Reporting Code (Appendix C2), which now incorporates enhanced climate-related disclosure requirements effective for financial years commencing on or after 1 January 2025. Disclosures follow the principles of materiality, quantitative, consistency and balance.

The Sustainability Report also references the Global Reporting Initiative (GRI) Standards 2021 and focuses on sustainability issues identified as material to Hysan’s business and its stakeholders. The Sustainability Report has received an independent opinion with a limited level of assurance from the Hong Kong Quality Assurance Agency.

## COMMUNITY BUSINESS MODEL

Our sustainability approach, illustrated through our Community Business Model, provides a framework that brings together collaboration, innovation and responsible practices to support a more sustainable and resilient future. This framework remains relevant and effective, guiding us as we prioritise the wellbeing and aspirations of our communities. We focus on enhancing liveability, social wellbeing, environmental stewardship and positive economic impacts. Our goal is to create sustainable and vibrant neighbourhoods that can adapt to change while offering a lasting and distinctive community experience.

In 2025, Lee Gardens recorded over 3.3 million participant engagements across more than 220 programmes, resulting in more than 3.0 million Happy Hours. These figures reflect the level of activity within the community and were supported by ongoing improvements across connectivity, public-realm planning and a balanced commercial mix that brings together both traditional trades and modern urban culture.

## OUR TARGETS AND COMMITMENT TO SBTi

Hysan’s science-based targets were validated in 2025. These targets commit to achieving a 46% reduction in absolute Scope 1 and Scope 2 emissions by 2031, using 2021 as the base year, and a 46% reduction in absolute Scope 3 emissions by 2031, using 2023 as the base year.

In 2025, we continued to advance our near-term decarbonisation pathway, with Scope 1 and 2 emissions down approximately 19% versus 2021 (-9% year-on-year) and continued progress on Scope 3, now mapped across all 15 categories with a focus on improving data quality. Electricity use remained about 7% below 2021 levels (-0.4% year-on-year), supported by continued optimisation and control measures.

We also continued to advance resource efficiency across our operations. Municipal water use declined by about 7% year on year, supported by the use of 2,112 cubic metres of harvested rainwater for non-potable purposes. Waste to landfill fell to 4,408 tonnes, a 6% reduction from the previous year, with a 13% diversion rate and 639 tonnes of recyclables collected. Sustainable finance remained an important enabler of our environmental objectives, with 44% of total debt raised through instruments aligned with our sustainability framework.

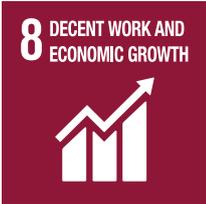
## STATUS OF OUR CORPORATE TARGETS IN 2025

| Category    | Targets   | Base Year | Status             |
|-------------|---|-----------|--------------------|
| Environment | • Achieve 46% reduction in absolute scope 1 and 2 carbon emissions by 2031  | 2021      | On Track           |
|             | • Achieve 46% reduction in absolute scope 3 carbon emissions by 2031  | 2023      | Partially achieved |
|             | • Achieve 10% reduction in water consumption intensity by 2031  | 2021      | Partially achieved |
|             | • Divert >50% waste from landfill by 2031   | Annual    | Partially achieved |
|             | • Maintain at least 40% of debt financed by sustainable finance   | Annual    | Achieved           |
| Community   | • Engage >500,000 participants by hosting no fewer than 100 events covering arts & culture, wellness, sustainability and family | Annual    | Achieved           |
|             | • Curate 2 million Happy Hours  |           |                    |
|             | • Maintain Lee Gardens neighbourhood co-existence ratio of traditional trade and modern urban culture shops to 25:75            |           |                    |
|             | • Provide support to 30% of the stakeholders in the Lee Gardens neighbourhood to help sustain their businesses                  |           |                    |
| People      | • Reduce workplace injury rate to <0.5 injuries per 100 employees by 2030   | Annual    | Partially achieved |
|             | • Zero work-related employee fatalities   | Annual    | Achieved           |
|             | • Increase number of training hours by 30% by 2030  | 2022      | On track           |
| Governance  | • Maintain compliance with the Corporate Governance Code ("CG Code") of the Listing Rules                                       | On going  | Achieved           |
|             | • Maintain a minimum of 33% female representation on the Board  | On going  | Achieved           |

# Sustainability Report 2025 – Summary

## CONTRIBUTION TO THE SDGs

Hysan continues to focus on SDGs most relevant to our operations and community impact — SDG 3 (Good Health & Well-being), SDG 8 (Decent Work & Economic Growth), SDG 11 (Sustainable Cities & Communities), and SDG 17 (Partnerships for the Goals)— through initiatives that enhance community wellbeing, strengthen operational performance and encourage collaboration across sectors.

| SDGs  |   | Hysan’s contribution towards achieving the respective SDGs  |
|---|---|---|
|  <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>            | 3 — Good Health and Wellbeing           | <ul style="list-style-type: none"> <li>• Promote community wellness and resilience, including health &amp; safety via various programmes and activities, to stakeholders in the community.</li> <li>• Establish and maintain comprehensive management policies to provide a safe and healthy environment for our tenants, customers and staff at work and within our community.</li> </ul>  |
|  <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>      | 8 — Decent Work and Economic Growth     | <ul style="list-style-type: none"> <li>• Promote sustainable economic growth.</li> <li>• Support tenants’ business growth.</li> <li>• Nurture entrepreneurs and incubate innovative new businesses. Provide an inclusive environment of decent work<sup>1</sup>.</li> </ul>   |
|  <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> | 11 — Sustainable Cities and Communities | <ul style="list-style-type: none"> <li>• Make cities and neighbourhoods inclusive, safe, resilient and sustainable.</li> <li>• Apply climate actions and develop green/WELL buildings to optimise impacts.</li> <li>• Develop smart communities that leverage technology to enhance liveability, connectivity and quality of life for stakeholders.</li> <li>• Undertake activities that contribute to community health and wellness, family and children, art and culture, environmental sustainability, diversity and inclusion.</li> </ul> |
|  <p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>         | 17 — Partnerships for the Goals         | <ul style="list-style-type: none"> <li>• Mobilise multiple resources, including support from project partners, government and non-governmental organisations, to make positive impacts on communities through our operations.</li> <li>• Enhance the use of enabling technology to create smart solutions that improve operational efficiency and environmental performance, and develop smart communities to enhance liveability, connectivity and quality of life for stakeholders.</li> </ul>  |

<sup>1</sup> By “decent work”, we mean providing employees with safe working conditions and opportunities for growth, while also promoting equality and respect for all workers.

## CLIMATE RISK MANAGEMENT

We advanced our adaptation measures through asset level climate risk assessments across our Hong Kong portfolio, covering flooding, extreme rainfall, heat and typhoons. The findings have been incorporated into design and operational planning, including standardised flood readiness, reinforcement of roof drainage capacity, heat stress and microclimate considerations, and selective enhancements to façades and door restraint systems. Under the central climate scenario assessed, the financial implications are real but manageable, guiding a prioritised and evidence-based approach to strengthening resilience. For further details, please refer to the Sustainability Report 2025.

## LEE GARDEN EIGHT — SEAMLESS ACCESS, EVERYDAY COMFORT, TECHNOLOGY-ENABLED OPERATIONS

Lee Garden Eight is progressing as the next milestone for Lee Gardens. An integrated pedestrian network of four bridges and a covered link is planned to provide a 5- to 7-minute sheltered route from the MTR to the development, improving movement and comfort in adverse weather. The scheme also includes approximately 60,000 square feet of green space for leisure and social use, and new facilities such as a performing arts venue and GIC provisions for childcare, elderly care and district level health. Technology adoption underpins delivery and operations, including more than 7,400 MiMEP<sup>2</sup> prefabricated modules, OpenBIM<sup>3</sup> and an Asset Information Model. For mobility, LG8 will include 610 EV equipped spaces and a planned 48 bay supercharging hub; at full utilisation, the 610 EV spaces are expected to avoid more than 1,050 tonnes of CO<sub>2</sub>e each year. Feasibility work on a district cooling system continues, subject to technical and commercial assessment.

## INNOVATION AND PARTNERSHIPS — THE COMMUNITY LAB

Besides the significant adoption of technology at Lee Garden Eight, The Community Lab, run in partnership with HKSTP, continued to position Lee Gardens as a platform for testing and scaling practical innovations. Since inception, the programme has completed 17 pilots, achieved 17 adoptions and hosted over 180 innovation-related activities. In 2025, several solutions moved beyond initial trials, with indoor air-quality enhancements and other validated initiatives expanding from single-asset pilots to broader operational application across multiple assets.

## PEOPLE, SAFETY AND COMMUNITY

People and safety remain core to how Lee Gardens operates. We continued to cultivate a balanced commercial environment that supports both long-established trades and contemporary brands, alongside accessible sports and wellness programmes. During the year, six youth rugby programmes reached 5,000 students and supported 70 academy athletes; more than 260 young participants took part in the structured mini touch-rugby pathway with around 2,500 training hours; and the Hysan Running Community recorded over 1,600 participations. Safety performance remained an area of focus. The injury rate was 2.97 percent with 15 injury-leave cases, and a total of 8,175 training hours were delivered to reinforce safe practices and support ongoing improvements.

<sup>2</sup> MiMEP – Multi-trade integrated Mechanical, Electrical, and Plumbing

<sup>3</sup> OpenBIM – Open Building Information Modelling

# Sustainability Report 2025 – Summary

## SHAPING THE FUTURE THROUGH ESG

### Environment

Looking ahead, Hysan will continue to advance decarbonisation and climate readiness under its validated science-based targets. Our priorities include strengthening Scope 3 data quality, progressing asset level adaptation actions identified through climate risk assessments, and applying optimisation, digital tools and asset planning to support long term energy and resource efficiencies. We will also deepen engagement with suppliers and tenants, expanding participation through the Lee Gardens Community Green Pledge to bring more tenants into practical actions on energy, water, waste and green fit outs.

### Social

As Lee Garden Eight moves toward completion, we will continue to strengthen the Lee Gardens community as a place that supports wellbeing, accessibility and cultural vibrancy. The future green space will offer a new setting for social gatherings and community use, while the performing arts venue and GIC facilities for childcare, elderly care and district level health will bring a broader range of services within easy reach. These additions will complement our work to expand cultural and wellness programming and to deepen partnerships with schools and youth organisations, including through sports, arts and community initiatives. Alongside these enhancements, we will continue to reinforce health and safety measures across our operations to support a safe, well managed and welcoming environment for all who use Lee Gardens.

### Governance

Hysan will continue to uphold the highest standards of corporate governance. We will ensure compliance with the Corporate Governance Code of the Listing Rules and strive to exceed these requirements where practicable, including in areas such as board diversity, cybersecurity and overall governance practices.

Together, we work towards a sustainable, inclusive, and ethically governed future for our community and stakeholders.

# Directors' Report

The Directors submitted their report together with the audited consolidated financial statements for the year ended 31 December 2025, which were approved by the Board on 26 February 2026.

## PRINCIPAL ACTIVITIES

The principal activities of the Group continued throughout 2025 to be property investment, management, and development. Details of the Group's principal subsidiaries, associates and joint ventures as at 31 December 2025 are set out in notes 16 to 18 respectively to the consolidated financial statements.

The turnover and results of the Group are principally derived from investment properties located in Hong Kong and Chinese Mainland. The Group's turnover and results by operating segment are set out in note 5 to the consolidated financial statements.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss on page 165.

The first interim dividend of HK27 cents per share, amounting to approximately HK\$277 million, was paid to Shareholders during the year.

The Board declared a second interim dividend of HK81 cents per share which will be payable in cash to the Shareholders whose names appear on the register of members of the Company on 13 March 2026, totaling approximately HK\$832 million. The dividends declared and paid for ordinary shares in respect of the full year 2025 will total approximately HK\$1,109 million, and the balance of the profit will be retained.

## BUSINESS REVIEW AND PERFORMANCE

A fair review of the business of the Group and a discussion and analysis of the Group's performance during the year, the material factors underlying its results and financial position and material attributable factors relating to the development and likely future developments of the Group's business, are provided throughout this Annual Report, particularly in the following separate sections:

- (i) Review of the Group's business – "Management's Discussion and Analysis";
- (ii) The Group's risk management framework, the principal risks the Group is facing and the controls in place – "Risk Management and Internal Control Report";
- (iii) Particulars of important events affecting the Group that have occurred since the end of the financial year 2025 – "Chairman's Statement", "Management's Discussion and Analysis" and "Notes to the Consolidated Financial Statements";
- (iv) Future development of the Group's business – "Key Facts" and "Chairman's Statement";
- (v) Analysis using financial key performance indicators – "Management's Discussion and Analysis";
- (vi) Discussion of the Group's environmental policies and performance – "Sustainability Report 2025 – Summary";
- (vii) Discussion of the Group's compliance with the relevant laws and regulations that have a significant impact on the Group – "Corporate Governance Report", "Sustainability Report 2025 – Summary" and "Independent Auditor's Report"; and
- (viii) An account of the Group's key relationships with its employees, customers, suppliers and others that have a significant impact on the Group and on which the Group's success depends – "Directors' Report" and "Sustainability Report 2025 – Summary".

## Directors' Report

A detailed discussion of the Group's environmental policies and performance, its compliance with the relevant laws and regulations that have a significant impact on the Group, and its key relationships with stakeholders, is contained in the separate Sustainability Report 2025, which is available on the websites of both the Stock Exchange and the Company.

These discussions form part of this Directors' Report.

### RESERVES

Movements during the year in the reserves of the Group and the Company are set out in the consolidated statement of changes in equity on pages 168 and 169 and note 30 to the consolidated financial statements respectively.

### INVESTMENT PROPERTIES

All of the Group's investment properties were revalued by an independent professional valuer as at 31 December 2025 using the fair value model. Details of movements during the year in the investment properties of the Group are set out in note 14 to the consolidated financial statements.

Details of the major investment properties of the Group as at 31 December 2025 are set out in the section "Schedule of Principal Properties" of this Annual Report.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

### SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 29 to the consolidated financial statements.

## CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance and fully complied with the code provisions of the CG Code throughout the year.

Further information on the Company's corporate governance practices is set out in the following separate reports:

- (a) "Corporate Governance Report" (pages 40 to 107) – this gives detailed information on the Group's compliance with the CG Code and relevant laws and regulations, its adoption of local and international best practices, Directors' service contracts, and Directors' interests in shares, contracts and competing business;
- (b) "Risk Management and Internal Control Report" (pages 108 to 116) – this sets out the Group's framework for risk assessment and internal control (including control environment, control activities and work completed during the year);
- (c) "Audit and Risk Management Committee Report" (pages 117 to 123) – this sets out the terms of reference, work performed and findings of the Audit and Risk Management Committee for the year;
- (d) "Remuneration Committee Report" (pages 124 to 135) – this gives detailed information on Directors' remuneration and interests (including information on Directors' compensation);
- (e) "Nomination Committee Report" (pages 136 to 140) – this sets out the terms of reference, work performed and findings of the Nomination Committee for the year; and
- (f) "Sustainability Committee Report" (pages 141 to 145) – this sets out the terms of reference, work performed and findings of the Sustainability Committee for the year.

Further information on the Group's sustainability policies and practices is contained in the separate Sustainability Report 2025, which is available on the websites of both the Stock Exchange and the Company.

## THE BOARD

As at 31 December 2025 and up to the date of this Annual Report, the composition of the Board is set out below:

Lee Irene Yun-Lien (*Chairman*)

Lui Kon Wai (*Executive Director and Chief Operating Officer*)

Chung Cordelia\*\*

Churchouse Frederick Peter\*\*

Wong Ching Ying Belinda\*\*

Young Elaine Carole\*\*

Zhang Yong\*\*

Lee Anthony Hsien Pin\*

(*Lee Irene Yun-Lien as his alternate*)

Lee Chien\*

Lee Tze Hau Michael\*

\* NED

\*\* INED

## Directors' Report

Mr. Poon Chung Yin Joseph retired as an INED and ceased to be the chairman of the Audit and Risk Management Committee and a member of the Nomination Committee effective from the conclusion of the 2025 AGM.

The biographical details of the Directors are set out on pages 56 to 64. Details of their remuneration are set out in note 10 to the Financial Statements.

Under Article 114 of the Articles, one-third (or such other number as may be required under applicable legislation) of the Directors (and where the applicable number is not an integral number, to be rounded upwards), who have been longest in office shall retire from office by rotation at each AGM. A retiring Director is eligible for re-election.

Particulars of Directors seeking re-election at the forthcoming 2026 AGM are set out in the related circular to Shareholders.

The Company received from each INED annual confirmation of his or her independence with regard to each of the factors referred to in Rule 3.13 (1) to (8) of the Listing Rules, and the Company considered all of them to be independent. The Nomination Committee also reviewed the Directors' independence in a meeting held in November 2025 (See "Corporate Governance Report" and "Nomination Committee Report").

The names of Directors who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report are available on the Company's website: [www.hysan.com.hk](http://www.hysan.com.hk).

### DIRECTORS' INTERESTS IN SHARES

Details of the interests and short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations are set out in "Corporate Governance Report" on pages 96 to 97.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 31 December 2025, the interests or short positions of substantial Shareholders and other persons of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company, were as follows:

#### Aggregate long/short positions in shares and underlying shares of the Company

| Name                      | Capacity         | Long/Short Position | Number of ordinary shares held | % of the total no. of issued shares (Note) |
|---------------------------|------------------|---------------------|--------------------------------|--|
| Lee Hysan Company Limited | Beneficial owner | Long                | 433,130,735                    | 42.17                                      |

Note:

The percentage was computed based on the total number of issued shares of the Company as at 31 December 2025 (i.e. 1,027,008,223 ordinary shares).

Apart from the above, no other interest or short position in the shares or underlying shares of the Company was recorded in the register that is required to be kept under Section 336 of the SFO as at 31 December 2025.

## RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as “Related Parties” under applicable accounting principles. These mainly relate to contracts entered into by the Group in the ordinary course of business and that were negotiated on normal commercial terms and on an arm’s length basis. Further details are set out in note 35 to the consolidated financial statements.

Some of these transactions also constituted “Continuing Connected Transactions” and “Connected Transactions” under the Listing Rules, as identified below.

## CONTINUING CONNECTED TRANSACTIONS

The following transactions entered into by the Group constituted continuing connected transactions (the “Continuing Connected Transactions”) that were subject to announcement, reporting and annual review requirements but exempt from the circular and Shareholders’ approval requirements under Rule 14A.76(2) of the Listing Rules. Details of the Continuing Connected Transactions subsisting during the year and required to be disclosed are set out as follows:

### I. Lease granted by the Group

The following agreements (“Hysan Place Lease Agreements”) were entered into by Earn Extra Investments Limited (“Earn Extra”), a wholly-owned subsidiary of the Company and the owner of Hysan Place, 500 Hennessy Road, Hong Kong (“Hysan Place”), as landlord, with the following connected person:

| Connected person                                       | Date of agreements  | Terms   | Premises  | Annual Caps (Note a)   |
|--|---|---|---|--|
| Jebsen and Company Limited<br>(“Jebsen & Co”) (Note b) | (i) 28 October 2024<br>(“Original Lease”)<br>(Note c)               | 18 months commencing from<br>1 November 2024 to 30<br>April 2026 (early terminated<br>on 30 September 2025<br>(Note d)) | The whole of 20th, 21st and<br>22nd Floors of Hysan Place | 2024: HK\$9,700,000<br>(on pro-rata basis)   |
|  | 2025: HK\$59,000,000<br>2026: HK\$20,000,000<br>(on pro-rata basis) |   |   |  |
|  | (ii) 29 August 2025<br>(“New Lease”)<br>(Note c)                    | Three (3) years commencing<br>from 1 October 2025 to 30<br>September 2028   |   | 2025: HK\$12,100,000<br>(on pro-rata basis)<br>2026: HK\$49,000,000<br>2027: HK\$50,000,000<br>2028: HK\$38,000,000<br>(on pro-rata basis) |

#### Notes:

- The annual aggregated consideration payable by Jebsen & Co under the Hysan Place Lease Agreements includes the rent and operating charges (subject to revision as may be notified by Earn Extra from time to time) but excludes Government rates and other outgoings and shall be paid in cash in advance on a monthly basis. The rents for the Original Lease and the New Lease are HK\$3,846,480 per month and HK\$3,125,265 per month respectively. The operating charges of both of the Hysan Place Lease Agreements are HK\$524,083 per month.
- Jebsen & Co is a connected person of the Company at the subsidiary level under the Listing Rules by virtue of it being a substantial shareholder holding 10% equity interest in Barrowgate Limited (“Barrowgate”), an indirect non-wholly-owned subsidiary of the Company. Accordingly, the Hysan Place Lease Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.
- The aggregate contract amounts for transactions contemplated under the Hysan Place Lease Agreements, calculated based on rental and operating charges at prevailing rates, for the period from 1 January 2025 to 30 September 2025 and from 1 October 2025 to 31 December 2025 were HK\$41,323,048 and HK\$11,538,607 respectively (HK\$52,861,655 in total for the financial year ended 31 December 2025).
- By a termination agreement dated 29 August 2025, Earn Extra and Jebsen & Co agreed to terminate the Original Lease with effect from the commencement date of the New Lease. As the original term of the Original Lease would expire on 30 April 2026, the New Lease was entered into by Earn Extra as a result of the negotiation of a renewal of the Original Lease.

## Directors' Report

All the Continuing Connected Transactions have been entered into in the ordinary and usual course of business of the respective companies within the Group, after due negotiations on an arm's length basis with reference to the prevailing market conditions. Announcements in respect of the Continuing Connected Transactions were published in accordance with the Listing Rules. The Company confirms that it has complied with the disclosure requirements under Chapter 14A of the Listing Rules insofar as applicable.

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 155 to 156 of the Annual Report in accordance with Rule 14A.56 of the Listing Rules.

The Company's Internal Audit has reviewed the Continuing Connected Transactions and the related internal control procedures, and concluded that the internal control procedures are adequate and effective. Pursuant to Rule 14A.55 of the Listing Rules, all INEDs have reviewed the Continuing Connected Transactions and the report of the auditor, and confirmed that each of the Continuing Connected Transactions has been entered into:

1. in the ordinary and usual course of business of the Group;
2. on normal commercial terms or better; and
3. on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

## CONNECTED TRANSACTIONS

The following transactions entered into by the Group during the year constituted connected transactions (“Connected Transactions”) which were subject to the announcement and reporting requirements but exempt from the circular and independent Shareholders’ approval requirements under the Listing Rules. Details of the Connected Transactions are set out as follows:

### I. Disposals of Residential Units at Bamboo Grove

Kwong Wan Realty Limited, a wholly-owned subsidiary of the Company and the registered owner of Bamboo Grove (竹林苑), Nos. 74-86 Kennedy Road, Hong Kong (“Bamboo Grove”) as vendor entered into the following agreements with the purchasers respectively:

| Purchaser and Connected person                                       | Date of agreements   | Nature and Premises  | Total Consideration |
|--|--|--|---------------------|
| (i) Sharp Focus Limited<br>(“Sharp Focus”) (Notes a & b)             | (a) Preliminary agreement for sale and purchase: 3 October 2025  | Sale and purchase of a residential unit at Bamboo Grove with a saleable area of approximately 2,191 square feet (“Disposal A”)                                       | HK\$56,390,000      |
|  | (b) Formal agreement for sale and purchase: 17 October 2025      |  |                     |
| (ii) Mr. Nicolas Hugh Ingram<br>(“Mr. Ingram”) (Notes c & d)         | (a) Preliminary agreement for sale and purchase: 3 October 2025  | Sale and purchase of two residential units at Bamboo Grove with saleable areas of approximately 1,451 square feet and approximately 1,503 square feet (“Disposal B”) | HK\$77,230,000      |
|  | (b) Formal agreement for sale and purchase: 3 November 2025      |  |                     |
| (iii) Verdant Peak Investment Limited (“Verdant Peak”) (Notes e & f) | (a) Preliminary agreement for sale and purchase: 24 October 2025 | Sale and purchase of a residential unit at Bamboo Grove with a saleable area of approximately 2,084 square feet (“Disposal C”)                                       | HK\$53,540,000      |
|  | (b) Formal agreement for sale and purchase: 7 November 2025      |  |                     |

#### Notes:

- Sharp Focus is a company incorporated in Hong Kong with limited liability and wholly-owned by Ms. Chou Hok Yee Kitty, spouse of Mr. Lee Chien who is a NED. Hence, Sharp Focus is a connected person of the Company under the Listing Rules. The entering into of the agreements under Disposal A therefore constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.
- Mr. Lee Chien has a material interest in Disposal A and abstained from voting on the relevant Board resolutions approving such disposal. While Ms. Lee Irene Yun-Lien, the Chairman, Mr. Lee Anthony Hsien Pin and Mr. Lee Tze Hau Michael, NEDs, have no material interest in Disposal A, they are members of the Lee family and thus voluntarily abstained from voting on the relevant Board resolutions approving Disposal A.
- Mr. Ingram is the son of Ms. Lee Irene Yun-Lien, the Chairman and hence a connected person of the Company under the Listing Rules. The entering into of the agreements for Disposal B therefore constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.
- Ms. Lee Irene Yun-Lien has a material interest in Disposal B and abstained from voting on the relevant Board resolutions approving such disposal. While Mr. Lee Anthony Hsien Pin, Mr. Lee Chien and Mr. Lee Tze Hau Michael, NEDs, have no material interest in Disposal B, they are members of the Lee family and thus voluntarily abstained from voting on the relevant Board resolutions approving Disposal B.
- Verdant Peak is a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Zhang Yong, an INED. Hence, Verdant Peak is a connected person of the Company under the Listing Rules, and the entering into of the agreements under Disposal C therefore constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.
- Mr. Zhang Yong has a material interest in Disposal C and abstained from voting on the relevant Board resolutions approving such disposal.

Details of Disposals A and B were disclosed in the Company’s announcement dated 3 October 2025 and details of Disposal C were disclosed in the Company’s announcement dated 24 October 2025.

# Directors' Report

## DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

There were no transactions, arrangements or contracts that are significant in relation to the businesses of the Company and its subsidiaries to which the Company or any of its subsidiary was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate amount of purchases attributable to the Group's five largest suppliers was less than 30% (being the Listing Rule disclosure threshold) of total purchases of the Group. The aggregate amount of turnover attributable to the Group's five largest customers was also less than 30% (being the Listing Rule disclosure threshold) of total turnover of the Group.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Group repurchased, by way of tender, part of the 4.1% Subordinated Guaranteed Perpetual Capital Securities (the "2020 Subordinated Securities") in an aggregate principal amount of US\$690 million (equivalent to approximately HK\$5,365 million) with a cash consideration of HK\$5,366 million. Such repurchased securities were subsequently cancelled in accordance with their terms and conditions. The Group subsequently redeemed in whole the outstanding 2020 Subordinated Securities in an aggregate principal amount of US\$60 million (approximately HK\$466 million) with a cash consideration of HK\$467 million, representing approximately 7% of the principal amount of such securities initially issued. Following such redemption, the 2020 Subordinated Securities were cancelled and there were no 2020 Subordinated Securities in issue.

During the year, the Group made on-market repurchase of part of the 4.85% Senior Perpetual Capital Securities (the "Senior Perpetual Securities") in an aggregate principal amount of US\$5 million (equivalent to approximately HK\$37 million) with a cash consideration of HK\$32 million, representing approximately 1% of the principal amount of such securities initially issued, which was cancelled in January 2026.

Save as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities during the year.

## EQUITY-LINKED AGREEMENTS

Saved as the information disclosed under the section headed "Long-term Incentives: Share Schemes" of the Remuneration Report on pages 129 to 134, the Company did not enter into any equity-linked agreement for the year ended 31 December 2025, nor was there any equity-linked agreement entered into by the Company subsisting as at 31 December 2025.

## PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the year and up to the date of this report as required under the Listing Rules.

## DONATIONS

During the year, the Group made donations of approximately HK\$6 million to charitable and non-profit-making organisations.

## PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred by him or her in the execution of the duties of his or her office or in relation thereto. The Directors and Officers Liability Insurance (“D&O Insurance”) taken out by the Company throughout the year provides adequate cover for such indemnities to all the Directors of the Company and its subsidiaries. The relevant provisions in the Articles and the D&O Insurance were in force during the financial year ended 31 December 2025 and as of the date of this report.

## AUDITOR

A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditor of the Company is to be proposed at the forthcoming 2026 AGM.

By Order of the Board

**Lee Irene Yun-Lien**

*Chairman*

Hong Kong, 26 February 2026

# 4

## Financial Statements, Valuation and Other Information

- 161** Independent Auditor's Report
- 165** Consolidated Statement of Profit or Loss
- 166** Consolidated Statement of Comprehensive Income
- 167** Consolidated Statement of Financial Position
- 168** Consolidated Statement of Changes in Equity
- 170** Consolidated Statement of Cash Flows
- 172** Material Accounting Policy Information
- 180** Notes to the Consolidated Financial Statements
- 224** Financial Risk Management
- 236** Five-Year Financial Summary
- 238** Report of the Valuer
- 239** Schedule of Principal Properties
- 241** Shareholding Analysis
- 242** Shareholder Information
- 244** Corporate Information

# Independent Auditor's Report

# Deloitte.

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HYSAN DEVELOPMENT COMPANY LIMITED

希慎興業有限公司

(incorporated in Hong Kong with limited liability)

#### Opinion

We have audited the consolidated financial statements of Hysan Development Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 165 to 235, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, material accounting policy information, notes to the consolidated financial statements and financial risk management.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

#### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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# Independent Auditor's Report (continued)

## Key Audit Matters (continued)

### Valuation of investment properties

We identified the valuation of investment properties as a key audit matter due to the inherent level of subjective judgements and estimates required in determining the fair values.

The Group's investment property portfolio comprises retail, office and residential properties, and is stated at fair value of HK\$96,157 million in aggregate, accounting for approximately 83% of the Group's total assets as at 31 December 2025 with a fair value loss of HK\$1,405 million recognized in the consolidated statement of profit or loss for the year then ended.

All of the Group's investment properties are measured using the fair value model based on a valuation performed by an independent qualified professional valuer (the "Valuer"). As disclosed in note 3 of the notes to the consolidated financial statements section of the consolidated financial statements, in determining the fair values of the Group's investment properties, the Valuer has applied a market value basis which involves, inter-alia, certain estimates, including appropriate capitalization rates, reversionary income potential and redevelopment potential of the investment properties in determining the fair values. As further disclosed in note 14 of the notes to the consolidated financial statements section of the consolidated financial statements, the valuation of investment properties under development of HK\$22,280 million as at 31 December 2025 is based on the development potential of the properties as if they were completed and are also dependent upon the estimated costs of development and allowance of profit required for the development.

### Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### How our audit addressed the key audit matter

Our procedures in relation to the valuation of investment properties included:

- Evaluating the competence, capabilities, and objectivity of the Valuer and obtaining an understanding of the Valuer's scope of work and their terms of engagement;
- Evaluating the appropriateness of the Valuer's valuation approaches to assess if they meet the requirements of the HKFRS Accounting Standards and industry norms;
- Challenging the reasonableness of the key assumptions applied based on available market data and our knowledge of the local property markets;
- Obtaining the detailed work of the Valuer on selected investment properties to evaluate the accuracy and relevance of key data inputs underpinning the valuation with the assistance of our valuation specialists, such as rental income, term of existing leases by comparing them to the existing leases summary of the Group and reversionary income potential by comparing fair market rents estimated by the Valuer against recent lease renewals and evaluating whether capitalization rates adopted are comparable to the market; and
- Evaluating the reasonableness of the key inputs used by the Valuer on the valuation of investment properties under development, including capitalization rate, prevailing market rent and the allowance of profit required for the development by comparing to the available market data, and comparing the estimated costs to complete the development with the Group's latest budgets.

## **Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements**

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

## Independent Auditor's Report (continued)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Chung Chin Cheung (practising certificate number: P06524).

### Deloitte Touche Tohmatsu

Certified Public Accountants  
Hong Kong

26 February 2026

# Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

|   | Notes | 2025<br>HK\$ million | 2024<br>HK\$ million |
|---|-------|----------------------|----------------------|
| Turnover  | 4     | 3,464                | 3,409                |
| Property expenses                                 |       | (686)                | (646)                |
| Gross profit                                      |       | 2,778                | 2,763                |
| Investment income                                 |       | 151                  | 167                  |
| Other gains and losses                            |       | 2                    | 3                    |
| Administrative expenses                           |       | (309)                | (308)                |
| Finance costs                                     | 6     | (549)                | (450)                |
| Change in fair value of:                          |       |                      |                      |
| investment properties                             |       | (1,405)              | (1,506)              |
| other financial investments                       |       | (87)                 | (19)                 |
| Fair value gain on disposed investment properties |       | 592                  | –                    |
| Share of results (include impairment loss) of:    |       |                      |                      |
| associates  |       | 202                  | 204                  |
| joint ventures                                    |       | (783)                | (287)                |
| Profit before taxation                            |       | 592                  | 567                  |
| Taxation  | 7     | (296)                | (296)                |
| <b>Profit for the year</b>                        | 8     | 296                  | 271                  |
| Profit (loss) for the year attributable to:       |       |                      |                      |
| Owners of the Company                             |       | 315                  | 35                   |
| Perpetual capital securities holders              |       | 525                  | 418                  |
| Other non-controlling interests                   |       | (544)                | (182)                |
|   |       | 296                  | 271                  |
| <b>Earnings per share</b> (expressed in HK cents) | 13    |                      |                      |
| Basic   |       | 31                   | 3                    |
| Diluted   |       | 31                   | 3                    |

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

|  | Note | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|------|----------------------|----------------------|
| <b>Profit for the year</b>   |      | <b>296</b>           | 271                  |
| <b>Other comprehensive income (expenses)</b>   | 9    |                      |                      |
| <b>Items that will not be reclassified subsequently to profit or loss:</b>                             |      |                      |                      |
| Loss on revaluation of properties held for own use (net of tax)  |      | <b>(11)</b>          | (10)                 |
| Change in fair value of equity instruments at fair value through other comprehensive income ("FVTOCI") |      | <b>77</b>            | 105                  |
|  |      | <b>66</b>            | 95                   |
| <b>Items that may be reclassified subsequently to profit or loss:</b>                                  |      |                      |                      |
| Exchange difference on translation of subsidiaries   |      | <b>171</b>           | (124)                |
| Net adjustments to hedging reserve   |      | <b>(123)</b>         | (25)                 |
| Share of translation reserve of an associate   |      | <b>138</b>           | (115)                |
|  |      | <b>186</b>           | (264)                |
| Other comprehensive income (expenses) for the year (net of tax)  |      | <b>252</b>           | (169)                |
| <b>Total comprehensive income for the year</b>   |      | <b>548</b>           | 102                  |
| Total comprehensive income (expenses) attributable to:   |      |                      |                      |
| Owners of the Company  |      | <b>567</b>           | (134)                |
| Perpetual capital securities holders   |      | <b>525</b>           | 418                  |
| Other non-controlling interests  |      | <b>(544)</b>         | (182)                |
|  |      | <b>548</b>           | 102                  |

# Consolidated Statement of Financial Position

As at 31 December 2025

|   | Notes | 2025<br>HK\$ million | 2024<br>HK\$ million |
|---|-------|----------------------|----------------------|
| <b>Non-current assets</b>                           |       |                      |                      |
| Investment properties                               | 14    | 96,157               | 96,547               |
| Property, plant and equipment                       | 15    | 905                  | 829                  |
| Investments in associates                           | 17    | 5,474                | 5,347                |
| Loans to associates                                 | 17    | 8                    | 8                    |
| Investments in joint ventures                       | 18    | 364                  | 342                  |
| Loans to joint ventures                             | 18    | 3,445                | 4,324                |
| Other financial investments                         | 19    | 1,652                | 1,657                |
| Debt securities                                     | 20    | 159                  | 578                  |
| Deferred tax assets                                 | 27    | 100                  | 100                  |
| Other financial assets                              | 21    | 10                   | 135                  |
| Other receivables                                   | 22    | 945                  | 1,315                |
|   |       | <b>109,219</b>       | <b>111,182</b>       |
| <b>Current assets</b>                               |       |                      |                      |
| Accounts and other receivables                      | 22    | 341                  | 375                  |
| Debt securities                                     | 20    | 420                  | 318                  |
| Other financial assets                              | 21    | –                    | 3                    |
| Time deposits                                       | 23    | –                    | 647                  |
| Cash and cash equivalents                           | 23    | 3,831                | 1,564                |
|   |       | <b>4,592</b>         | <b>2,907</b>         |
| Investment properties held for sale                 | 37    | 1,611                | –                    |
|   |       | <b>6,203</b>         | <b>2,907</b>         |
| <b>Current liabilities</b>                          |       |                      |                      |
| Accounts payable and accruals                       | 24    | 1,701                | 1,428                |
| Deposits from tenants                               |       | 295                  | 306                  |
| Amounts due to non-controlling interests            | 25    | 182                  | 189                  |
| Borrowings  | 26    | 1,903                | 2,872                |
| Other financial liabilities                         | 21    | 4                    | –                    |
| Taxation payable                                    |       | 49                   | 67                   |
|   |       | <b>4,134</b>         | <b>4,862</b>         |
| <b>Net current assets (liabilities)</b>             |       | <b>2,069</b>         | <b>(1,955)</b>       |
| <b>Total assets less current liabilities</b>        |       | <b>111,288</b>       | <b>109,227</b>       |
| <b>Non-current liabilities</b>                      |       |                      |                      |
| Amounts due to non-controlling interests            | 25    | 5,907                | 5,686                |
| Borrowings  | 26    | 26,621               | 23,642               |
| Other financial liabilities                         | 21    | 563                  | 587                  |
| Deposits from tenants                               |       | 597                  | 566                  |
| Deferred tax liabilities                            | 27    | 1,386                | 1,317                |
|   |       | <b>35,074</b>        | <b>31,798</b>        |
| <b>Net assets</b>                                   |       | <b>76,214</b>        | <b>77,429</b>        |
| <b>Capital and reserves</b>                         |       |                      |                      |
| Share capital                                       | 29    | 7,723                | 7,723                |
| Reserves  |       | 57,733               | 58,270               |
| <b>Equity attributable to owners of the Company</b> |       | <b>65,456</b>        | <b>65,993</b>        |
| <b>Perpetual capital securities</b>                 | 28    | <b>9,404</b>         | <b>9,437</b>         |
| <b>Other non-controlling interests</b>              |       | <b>1,354</b>         | <b>1,999</b>         |
| <b>Total equity</b>                                 |       | <b>76,214</b>        | <b>77,429</b>        |

Financial Statements,  
Valuation and Other Information

The consolidated financial statements on pages 165 to 235 were approved and authorized for issue by the Board of Directors on 26 February 2026 and are signed on its behalf by:

**Lee Irene Y.L.**  
Director

**Lui Kon Wai**  
Director

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

|   | Attributable to owners of the Company |  |                                    |   |
|---|---------------------------------------|--|------------------------------------|---|
|   | Share capital<br>HK\$ million         | Share options<br>reserve<br>HK\$ million | General<br>reserve<br>HK\$ million | Investments<br>revaluation<br>reserve<br>HK\$ million |
| As at 1 January 2025  | <b>7,723</b>                          | <b>40</b>                                | <b>96</b>                          | <b>125</b>  |
| Profit (loss) for the year                                      | -                                     | -  | -                                  | -   |
| Exchange difference on translation of subsidiaries              | -                                     | -  | -                                  | -   |
| Net losses arising from hedging instruments                     | -                                     | -  | -                                  | -   |
| Reclassification of net gains to profit or loss                 | -                                     | -  | -                                  | -   |
| Loss on revaluation of properties held for own use (net of tax) | -                                     | -  | -                                  | -   |
| Change in fair value of equity instruments at FVTOCI            | -                                     | -  | -                                  | <b>77</b>   |
| Share of translation reserve of an associate                    | -                                     | -  | -                                  | -   |
| Total comprehensive income (expense) for the year               | -                                     | -  | -                                  | <b>77</b>   |
| Recognition of equity-settled share-based payments              | -                                     | <b>4</b>                                 | -                                  | -   |
| Vesting of equity-settled share-based payments                  | -                                     | <b>(2)</b>                               | -                                  | -   |
| Repurchase of own shares  | -                                     | -  | -                                  | -   |
| Dividends paid during the year (note 12)                        | -                                     | -  | -                                  | -   |
| Distribution paid to perpetual capital securities holders       | -                                     | -  | -                                  | -   |
| Issuance of perpetual capital securities (note 28)              | -                                     | -  | -                                  | -   |
| Repurchase of perpetual capital securities (note 28)            | -                                     | -  | -                                  | -   |
| <b>As at 31 December 2025</b>                                   | <b>7,723</b>                          | <b>42</b>                                | <b>96</b>                          | <b>202</b>  |
| As at 1 January 2024  | 7,723                                 | 39                                       | 96                                 | 20  |
| Profit (loss) for the year                                      | -                                     | -  | -                                  | -   |
| Exchange difference on translation of subsidiaries              | -                                     | -  | -                                  | -   |
| Net losses arising from hedging instruments                     | -                                     | -  | -                                  | -   |
| Reclassification of net losses to profit or loss                | -                                     | -  | -                                  | -   |
| Loss on revaluation of properties held for own use (net of tax) | -                                     | -  | -                                  | -   |
| Change in fair value of equity instruments at FVTOCI            | -                                     | -  | -                                  | 105   |
| Share of translation reserve of an associate                    | -                                     | -  | -                                  | -   |
| Total comprehensive income (expense) for the year               | -                                     | -  | -                                  | 105   |
| Recognition of equity-settled share-based payments              | -                                     | 5  | -                                  | -   |
| Forfeiture of share options                                     | -                                     | (4)                                      | -                                  | -   |
| Dividends paid during the year (note 12)                        | -                                     | -  | -                                  | -   |
| Distribution paid to perpetual capital securities holders       | -                                     | -  | -                                  | -   |
| Repurchase of perpetual capital securities (note 28)            | -                                     | -  | -                                  | -   |
| As at 31 December 2024  | 7,723                                 | 40                                       | 96                                 | 125   |

| Attributable to owners of the Company |  |                                     |                                  |                       |  |   |                       |
|---------------------------------------|--|-------------------------------------|----------------------------------|-----------------------|--|---|-----------------------|
| Hedging reserve<br>HK\$ million       | Properties revaluation reserve<br>HK\$ million | Translation reserve<br>HK\$ million | Retained profits<br>HK\$ million | Total<br>HK\$ million | Perpetual capital securities<br>HK\$ million | Other non-controlling interests<br>HK\$ million | Total<br>HK\$ million |
| <b>(426)</b>                          | <b>437</b>                                     | <b>(728)</b>                        | <b>58,726</b>                    | <b>65,993</b>         | <b>9,437</b>                                 | <b>1,999</b>                                    | <b>77,429</b>         |
| -                                     | -  | -                                   | <b>315</b>                       | <b>315</b>            | <b>525</b>                                   | <b>(544)</b>                                    | <b>296</b>            |
| -                                     | -  | <b>171</b>                          | -                                | <b>171</b>            | -  | -   | <b>171</b>            |
| <b>(108)</b>                          | -  | -                                   | -                                | <b>(108)</b>          | -  | -   | <b>(108)</b>          |
| <b>(15)</b>                           | -  | -                                   | -                                | <b>(15)</b>           | -  | -   | <b>(15)</b>           |
| -                                     | <b>(11)</b>                                    | -                                   | -                                | <b>(11)</b>           | -  | -   | <b>(11)</b>           |
| -                                     | -  | -                                   | -                                | <b>77</b>             | -  | -   | <b>77</b>             |
| -                                     | -  | <b>138</b>                          | -                                | <b>138</b>            | -  | -   | <b>138</b>            |
| <b>(123)</b>                          | <b>(11)</b>                                    | <b>309</b>                          | <b>315</b>                       | <b>567</b>            | <b>525</b>                                   | <b>(544)</b>                                    | <b>548</b>            |
| -                                     | -  | -                                   | -                                | <b>4</b>              | -  | -   | <b>4</b>              |
| -                                     | -  | -                                   | <b>2</b>                         | -                     | -  | -   | -                     |
| -                                     | -  | -                                   | <b>(2)</b>                       | <b>(2)</b>            | -  | -   | <b>(2)</b>            |
| -                                     | -  | -                                   | <b>(1,109)</b>                   | <b>(1,109)</b>        | -  | <b>(101)</b>                                    | <b>(1,210)</b>        |
| -                                     | -  | -                                   | -                                | -                     | <b>(490)</b>                                 | -   | <b>(490)</b>          |
| -                                     | -  | -                                   | -                                | -                     | <b>5,800</b>                                 | -   | <b>5,800</b>          |
| -                                     | -  | -                                   | <b>3</b>                         | <b>3</b>              | <b>(5,868)</b>                               | -   | <b>(5,865)</b>        |
| <b>(549)</b>                          | <b>426</b>                                     | <b>(419)</b>                        | <b>57,935</b>                    | <b>65,456</b>         | <b>9,404</b>                                 | <b>1,354</b>                                    | <b>76,214</b>         |
| (401)                                 | 447  | (489)                               | 59,747                           | 67,182                | 10,224                                       | 2,285   | 79,691                |
| -                                     | -  | -                                   | 35                               | 35                    | 418  | (182)   | 271                   |
| -                                     | -  | (124)                               | -                                | (124)                 | -  | -   | (124)                 |
| (73)                                  | -  | -                                   | -                                | (73)                  | -  | -   | (73)                  |
| 48                                    | -  | -                                   | -                                | 48                    | -  | -   | 48                    |
| -                                     | (10)   | -                                   | -                                | (10)                  | -  | -   | (10)                  |
| -                                     | -  | -                                   | -                                | 105                   | -  | -   | 105                   |
| -                                     | -  | (115)                               | -                                | (115)                 | -  | -   | (115)                 |
| (25)                                  | (10)   | (239)                               | 35                               | (134)                 | 418  | (182)   | 102                   |
| -                                     | -  | -                                   | -                                | 5                     | -  | -   | 5                     |
| -                                     | -  | -                                   | 4                                | -                     | -  | -   | -                     |
| -                                     | -  | -                                   | (1,109)                          | (1,109)               | -  | (104)   | (1,213)               |
| -                                     | -  | -                                   | -                                | -                     | (428)  | -   | (428)                 |
| -                                     | -  | -                                   | 49                               | 49                    | (777)  | -   | (728)                 |
| (426)                                 | 437  | (728)                               | 58,726                           | 65,993                | 9,437  | 1,999   | 77,429                |

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| <b>Operating activities</b>  |                      |                      |
| Profit before taxation   | 592                  | 567                  |
| Adjustments for:   |                      |                      |
| Net interest income  | (151)                | (167)                |
| Other gains and losses   | 3                    | (3)                  |
| Depreciation of property, plant and equipment                                    | 42                   | 36                   |
| Share-based payment expenses   | 4                    | 5                    |
| Finance costs  | 549                  | 450                  |
| Change in fair value of investment properties                                    | 1,405                | 1,506                |
| Fair value gain on disposed investment properties                                | (592)                | –                    |
| Change in fair value of other financial investments                              | 87                   | 19                   |
| Share of results of associates   | (202)                | (204)                |
| Share of results of joint ventures   | 783                  | 287                  |
| Operating cash flows before movements in working capital                         | 2,520                | 2,496                |
| Decrease (increase) in accounts and other receivables                            | 50                   | (199)                |
| (Decrease) increase in accounts payable and accruals                             | (57)                 | 237                  |
| Increase in deposits from tenants  | 18                   | 9                    |
| Cash generated from operations   | 2,531                | 2,543                |
| Hong Kong Profits Tax paid   | (243)                | (187)                |
| <b>Net cash from operating activities</b>  | <b>2,288</b>         | <b>2,356</b>         |
| <b>Investing activities</b>  |                      |                      |
| Payments in respect of investment properties                                     | (2,617)              | (1,855)              |
| Purchases of property, plant and equipment                                       | (16)                 | (35)                 |
| Dividends received from an associate   | 213                  | 230                  |
| Repayment from a joint venture   | 324                  | –                    |
| Advance to joint ventures  | (219)                | (440)                |
| Payments in respect of other financial investments                               | (5)                  | (14)                 |
| Interest received  | 95                   | 110                  |
| Additions to time deposits with original maturity over three months              | (2,822)              | (2,729)              |
| Proceeds from disposal of investment properties                                  | 1,816                | –                    |
| Deposit received from disposal of investment properties                          | 214                  | –                    |
| Proceeds upon maturity of debt securities  | 319                  | 94                   |
| Proceeds upon maturity of time deposits with original maturity over three months | 3,469                | 3,353                |
| <b>Net cash from (used in) investing activities</b>                              | <b>771</b>           | <b>(1,286)</b>       |

|   | Notes | 2025<br>HK\$ million | 2024<br>HK\$ million |
|---|-------|----------------------|----------------------|
| <b>Financing activities</b>                                 |       |                      |                      |
| Payment of finance costs                                    | 31    | (981)                | (929)                |
| Advance from non-controlling interest                       | 31    | 3                    | 230                  |
| New bank loans  | 31    | 6,330                | 7,593                |
| Repayment of bank loans                                     | 31    | (3,002)              | (6,453)              |
| Issuance of fixed rate notes                                | 31    | 132                  | –                    |
| Repayment of fixed rate notes                               | 31    | (1,500)              | (150)                |
| Issuance of perpetual capital securities                    |       | 5,800                | –                    |
| Repurchase of perpetual capital securities                  |       | (5,865)              | (728)                |
| Repayment to other non-controlling interests                | 31    | (10)                 | (10)                 |
| Payment on repurchase of own shares                         |       | (2)                  | –                    |
| Dividends paid  |       | (1,109)              | (1,109)              |
| Distribution paid to perpetual capital securities holders   |       | (490)                | (428)                |
| Dividends paid to other non-controlling interests           |       | (101)                | (104)                |
| <b>Net cash used in financing activities</b>                |       | <b>(795)</b>         | <b>(2,088)</b>       |
| <b>Net increase (decrease) in cash and cash equivalents</b> |       | <b>2,264</b>         | <b>(1,018)</b>       |
| Effect of foreign exchange rate changes                     |       | 3                    | (1)                  |
| <b>Cash and cash equivalents as at 1 January</b>            |       | <b>1,564</b>         | <b>2,583</b>         |
| <b>Cash and cash equivalents as at 31 December</b>          | 23    | <b>3,831</b>         | <b>1,564</b>         |

# Material Accounting Policy Information

For the year ended 31 December 2025

These consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance (“CO”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The material accounting policy information adopted are as follows:

## 1. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests (including perpetual capital securities holders and non-controlling interests in subsidiaries) are presented separately from the Group’s equity attributable to owners of the Company therein.

## 2. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of parties sharing control.

The results, assets and liabilities of associate or joint venture are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associate or joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, investments in associate or joint venture are initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

## 3. INVESTMENT PROPERTIES

Investment properties are properties held to earn rental and/or for capital appreciation including properties under redevelopment for such purposes.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value using the fair value model, adjusted to exclude any prepaid or accrued operating lease income. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

If a property becomes an owner-occupied property because its use has been changed as evidenced by commencement of owner-occupation, the fair value of the property at the date of change in use is considered as the deemed cost for subsequent accounting.

Investment properties are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Investment properties classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for financial assets within the scope of HKFRS 9 and investment properties measured at fair value which continue to be measured in accordance with the accounting policies as set out in respective sections.

Construction costs incurred for investment properties under redevelopment are capitalized as part of the carrying amount of the investment properties under redevelopment. Investment properties under redevelopment are measured at fair value at the end of the reporting period. Any difference between the fair value of the investment properties under redevelopment and their carrying amount is recognized in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

## Material Accounting Policy Information (continued)

For the year ended 31 December 2025

### 4. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value except for accounts receivables arising from contract with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

#### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### (a) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost less impairment loss (except for debt investments that are designated as at FVTPL on initial recognition):

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that initial recognition of a financial asset, the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

#### (i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognized on an effective interest basis for debt instruments measured subsequently at amortized cost and is included in the investment income as disclosed in note 8 of the Notes to the Consolidated Financial Statements section.

## 4. FINANCIAL INSTRUMENTS (continued)

### Financial assets (continued)

#### (a) Classification of financial assets (continued)

##### (ii) Financial assets at FVTPL

Financial assets at FVTPL include derivatives that are not designated and effective as hedging instruments, club debentures and fund investment.

Investments in equity instruments are classified as FVTPL, unless the Group designates such investment that is not held for trading as at FVTOCI.

Financial assets at FVTPL are measured at fair value at the end of the reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss excludes any dividend earned on the financial asset and is included in other gains and losses. Fair value is determined in the manner described in note 4 of the Financial Risk Management section.

##### (iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

### Financial liabilities and equity instruments

#### (a) Classification and measurement

Financial liabilities and equity instruments issued by a group entity are classified as financial liabilities or equity instruments according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into (i) financial liabilities at FVTPL and (ii) other financial liabilities subsequently measured at amortized cost. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

##### (i) Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognized on an effective interest basis for financial liabilities, other than those financial liabilities at FVTPL, of which the interest expense is included in other gains or losses.

## Material Accounting Policy Information (continued)

For the year ended 31 December 2025

### 4. FINANCIAL INSTRUMENTS (continued)

#### Financial liabilities and equity instruments (continued)

##### (a) Classification and measurement (continued)

##### (ii) Financial liabilities at amortized cost

Financial liabilities (including accounts payable and accruals, amounts due to non-controlling interests, deposits from tenants and borrowings) are subsequently measured at amortized cost, using the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in finance costs as disclosed in note 6 of the Notes to the Consolidated Financial Statements section.

##### (iii) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Consideration paid to repurchase the Company's own equity instruments is deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Perpetual capital securities, which includes no contractual obligation for the Group to deliver cash or other financial assets to the holders is classified as equity instrument and is initially recorded at the proceeds received.

#### Derivative financial instruments and hedging

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and interest rate risks, including cross currency swaps and interest rate swaps. Further details of derivative financial instruments are disclosed in note 21 of the Notes to the Consolidated Financial Statements section.

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair values at the end of the reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### Hedge accounting

The Group designates certain derivatives as hedging instruments for cash flow hedges and fair value hedge.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meets all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

## 4. FINANCIAL INSTRUMENTS (continued)

### Hedge accounting (continued)

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Note 21 of the Notes to the Consolidated Financial Statements section sets out details of the fair values of the derivative instruments used for hedging purposes.

#### (a) Fair value hedges

The fair value change on qualifying hedging instruments is recognized in profit or loss. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. Where hedging gains or losses are recognized in profit or loss, they are recognized in the same line as the hedged item.

#### (b) Cash flow hedges

The effective portion of changes in the fair values of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income and accumulated in hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in other gains and losses line item.

Amounts previously recognized in other comprehensive income and accumulated in hedging reserve are reclassified to profit or loss in the periods when the hedged item is recognized in profit or loss, in the same line of the consolidated statement of profit or loss as the recognized hedged item.

Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

#### (c) Discontinuation of hedge accountings

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

## 5. REVENUE RECOGNITION

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in note 4 of Notes to the Consolidated Financial Statement section.

## Material Accounting Policy Information (continued)

For the year ended 31 December 2025

### 6. LEASES

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

#### The Group as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Rentals received with reference to turnover of tenants are recognized as income when they arise.

Rental income which are derived from the Group's ordinary course of business is presented as revenue.

#### Allocation of consideration to components of a contract

When a contract includes both lease and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

#### Refundable rental deposits

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees. Such adjustments are recognized if the amount is considered material.

### 7. RETIREMENT BENEFIT COSTS

Payments to defined construction retirement benefit plan, state-managed benefit scheme, Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

### 8. TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For the purposes of measuring deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property", such properties' value is presumed to be recovered through sale, while such presumption has not been rebutted.

## 9. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as value in use in HKAS 36 “Impairment of Assets”.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The financial instruments that are measured at fair value on a recurring basis, grouped into Levels 1 to 3 based on the degree to which the inputs to the fair value measurements are observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets and liabilities.
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 1. GENERAL

The Company is a public listed company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are 50/F Lee Garden One, 33 Hysan Avenue, Hong Kong.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are property investment, management and development.

These consolidated financial statements are presented in Hong Kong dollars (“HKD”), which is the same as the functional currency of the Company.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### Amendments to an HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

|                       |                         |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|

The application of the amendments to an HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and or on the disclosures set out in these consolidated financial statements.

### New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

|   |  |
|---|--|
| Amendments to HKFRS 10 and HKAS 28                | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup> |
| Amendments to HKFRS 9 of and HKFRS 7              | Amendments to the Classification and Measurement Financial Instruments <sup>2</sup>                |
| Amendments to HKFRS 9 of and HKFRS 7              | Contracts Referencing Nature-dependent Electricity <sup>2</sup>                                    |
| Amendments to HKFRS Accounting Standards HKFRS 18 | Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>                         |
| Amendments to HKAS 21                             | Presentation and Disclosure in Financial Statements <sup>3</sup>                                   |
|   | Translation to a Hyperinflationary Presentation Currency <sup>3</sup>                              |

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

The Group anticipated that the application of all these new and amendments to HKFRS Accounting Standards had no material impact on the Group’s financial position and financial performance.

### 3. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in the "Material Accounting Policy Information" section, the management of the Group is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **Fair value of investment properties**

At the end of the reporting period, the Group's investment properties are stated at fair value of HK\$96,157 million (2024: HK\$96,547 million) based on the valuation performed by an independent qualified professional valuer. In determining the fair value, the valuer has applied a market value basis which involves, inter-alia, certain estimates, including appropriate capitalization rates, reversionary income potential and redevelopment potential taking into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In relying on the valuation, management has exercised their judgement and is satisfied that the method of valuation is reflective of the current market conditions at the end of the reporting period.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 4. TURNOVER

The Group recognizes revenue from the following major sources:

- Leasing of investment properties
- Provision of property management services

The Group's accounting policies for rental income are included under "Leases".

Revenue is measured at the fair value of the consideration received or receivable.

The Group recognizes revenue when (or as) a performance obligation is satisfied i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group's principal activities are property investment, management and development, and its turnover and results are derived from investment properties located in Hong Kong and Mainland.

Contracts for property management services have various contractual periods for which the Group bills fixed amount for each month of service period. Substantially all of the revenue from provision of property management services is recognized at the amount to which the Group has right to invoice which reflect the progress towards complete satisfaction of performance obligations satisfied over time.

### 5. SEGMENT INFORMATION

Based on the internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance, the Group's operating and reportable segments are as follows:

Retail segment – leasing of space and related facilities to a variety of retail and leisure operators

Office segment – leasing of high quality office space and related facilities

Residential segment – leasing of luxury residential properties and related facilities

Property development segment – development of properties for sale or leasing

## 5. SEGMENT INFORMATION (continued)

### Segment turnover and results

The following is an analysis of the Group's turnover and results by operating and reportable segment.

|   | Retail<br>HK\$ million | Office<br>HK\$ million | Residential<br>HK\$ million | Property<br>development<br>HK\$ million | Consolidated<br>HK\$ million |
|---|------------------------|------------------------|-----------------------------|---|------------------------------|
| <b>For the year ended 31 December 2025</b>        |                        |                        |                             |   |                              |
| <b>Turnover</b>                                   |                        |                        |                             |   |                              |
| Leasing of investment properties                  | 1,549                  | 1,276                  | 202                         | –                                       | 3,027                        |
| Provision of property management services         | 178                    | 232                    | 27                          | –                                       | 437                          |
| <b>Segment revenue</b>                            | <b>1,727</b>           | <b>1,508</b>           | <b>229</b>                  | <b>–</b>                                | <b>3,464</b>                 |
| Property expenses                                 | (326)                  | (274)                  | (86)                        | –                                       | (686)                        |
| <b>Segment profit</b>                             | <b>1,401</b>           | <b>1,234</b>           | <b>143</b>                  | <b>–</b>                                | <b>2,778</b>                 |
| Investment income                                 |                        |                        |                             |   | 151                          |
| Other gains and losses                            |                        |                        |                             |   | 2                            |
| Administrative expenses                           |                        |                        |                             |   | (309)                        |
| Finance costs                                     |                        |                        |                             |   | (549)                        |
| Change in fair value of:                          |                        |                        |                             |   |                              |
| investment properties                             |                        |                        |                             |   | (1,405)                      |
| other financial investments                       |                        |                        |                             |   | (87)                         |
| Fair value gain on disposed investment properties |                        |                        |                             |   | 592                          |
| Impairment loss of joint ventures                 |                        |                        |                             |   | (805)                        |
| Share of results of:                              |                        |                        |                             |   |                              |
| associates  |                        |                        |                             |   | 202                          |
| a joint venture                                   |                        |                        |                             |   | 22                           |
| Profit before taxation                            |                        |                        |                             |   | 592                          |
| <b>For the year ended 31 December 2024</b>        |                        |                        |                             |   |                              |
| <b>Turnover</b>                                   |                        |                        |                             |   |                              |
| Leasing of investment properties                  | 1,514                  | 1,283                  | 192                         | –                                       | 2,989                        |
| Provision of property management services         | 170                    | 224                    | 26                          | –                                       | 420                          |
| <b>Segment revenue</b>                            | <b>1,684</b>           | <b>1,507</b>           | <b>218</b>                  | <b>–</b>                                | <b>3,409</b>                 |
| Property expenses                                 | (307)                  | (262)                  | (77)                        | –                                       | (646)                        |
| <b>Segment gross profit</b>                       | <b>1,377</b>           | <b>1,245</b>           | <b>141</b>                  | <b>–</b>                                | <b>2,763</b>                 |
| Share of results of a joint venture               | –                      | –                      | –                           | (41)                                    | (41)                         |
| <b>Segment profit (loss)</b>                      | <b>1,377</b>           | <b>1,245</b>           | <b>141</b>                  | <b>(41)</b>                             | <b>2,722</b>                 |
| Investment income                                 |                        |                        |                             |   | 167                          |
| Other gains and losses                            |                        |                        |                             |   | 3                            |
| Administrative expenses                           |                        |                        |                             |   | (308)                        |
| Finance costs                                     |                        |                        |                             |   | (450)                        |
| Change in fair value of:                          |                        |                        |                             |   |                              |
| investment properties                             |                        |                        |                             |   | (1,506)                      |
| other financial investments                       |                        |                        |                             |   | (19)                         |
| Impairment loss of a joint venture                |                        |                        |                             |   | (258)                        |
| Share of results of:                              |                        |                        |                             |   |                              |
| associates  |                        |                        |                             |   | 204                          |
| a joint venture                                   |                        |                        |                             |   | 12                           |
| Profit before taxation                            |                        |                        |                             |   | 567                          |

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 5. SEGMENT INFORMATION (continued)

#### Segment turnover and results (continued)

All of the segment turnover reported above is from external customers.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in the "Material Accounting Policy Information" section. Segment profit represents the profit earned by each segment without allocation of investment income, other gains and losses, administrative expenses (including central administrative costs and directors' emoluments), finance costs, change in fair value of investment properties, change in fair value of other financial investments, fair value gain on disposed investment properties, impairment loss of joint ventures and share of results of associates and a joint venture. This is the measure reported to the chief operating decision maker of the Group for the purpose of resource allocation and performance assessment.

Included in the above are the turnover, property expenses and administrative expenses attributable to Lee Gardens Shanghai located in Mainland amounting to HK\$124 million (2024: HK\$73 million), HK\$64 million (2024: HK\$59 million), and HK\$4 million (2024: HK\$9 million) respectively.

#### Segment assets

The following is an analysis of the Group's assets by operating and reportable segment.

|  | Retail<br>HK\$ million | Office<br>HK\$ million | Residential<br>HK\$ million | Property<br>development<br>HK\$ million | Consolidated<br>HK\$ million |
|--|------------------------|------------------------|-----------------------------|---|------------------------------|
| <b>As at 31 December 2025</b>          |                        |                        |                             |   |                              |
| <b>Segment assets</b>                  | <b>32,691</b>          | <b>33,092</b>          | <b>8,134</b>                | <b>25,725</b>                           | <b>99,642</b>                |
| Investments in and loans to associates |                        |                        |                             |   | <b>5,482</b>                 |
| Investments in joint ventures          |                        |                        |                             |   | <b>364</b>                   |
| Other financial investments            |                        |                        |                             |   | <b>1,652</b>                 |
| Investment properties held for sale    |                        |                        |                             |   | <b>1,611</b>                 |
| Other assets                           |                        |                        |                             |   | <b>6,671</b>                 |
| Consolidated assets                    |                        |                        |                             |   | <b>115,422</b>               |
| <b>As at 31 December 2024</b>          |                        |                        |                             |   |                              |
| <b>Segment assets</b>                  | 32,986                 | 34,265                 | 8,667                       | 25,004                                  | 100,922                      |
| Investments in and loans to associates |                        |                        |                             |   | 5,355                        |
| Investments in joint ventures          |                        |                        |                             |   | 342                          |
| Other financial investments            |                        |                        |                             |   | 1,657                        |
| Other assets                           |                        |                        |                             |   | 5,813                        |
| Consolidated assets                    |                        |                        |                             |   | 114,089                      |

Segment assets represented the investment properties and accounts receivable of each segment and investments in and loans to joint ventures engaged in property development business.

Unallocated assets include investments in and loans to associates, investments in joint ventures, other financial investments, investment properties held for sale and other assets which include property, plant and equipment, debt securities, other financial assets, deferred tax assets, other receivables, time deposits and cash and cash equivalents.

## 5. SEGMENT INFORMATION (continued)

### Segment assets (continued)

This is the measure reported to the chief operating decision maker of the Group for the purpose of monitoring segment performances and allocating resources between segments. The investment properties are included in segment assets at their fair values whilst the change in fair value of investment properties is not included in segment profit.

Included in the property development segment is an investment property under development, which will be transferred to other segments upon completion of the development.

Included in the retail and office segment is an investment property located in Mainland accounting to HK\$636 million (2024: HK\$644 million) and HK\$2,697 million (2024: HK\$2,744 million) respectively.

No segment liabilities analysis is presented as the Group's liabilities are monitored on a group basis.

All the Group's non-current assets excluding financial instruments and deferred tax assets are located in Hong Kong, except for those assets with carrying amounts of HK\$8,856 million (2024: HK\$8,760 million) which operate in Mainland.

### Other segment information

|  | Retail<br>HK\$ million | Office<br>HK\$ million | Residential<br>HK\$ million | Property<br>development<br>HK\$ million | Consolidated<br>HK\$ million |
|--|------------------------|------------------------|-----------------------------|---|------------------------------|
| <b>For the year ended 31 December 2025</b> |                        |                        |                             |   |                              |
| Additions to non-current assets            | <b>612</b>             | <b>194</b>             | <b>32</b>                   | <b>2,949</b>                            | <b>3,787</b>                 |
| <b>For the year ended 31 December 2024</b> |                        |                        |                             |   |                              |
| Additions to non-current assets            | 192                    | 158                    | 21                          | 2,050                                   | 2,421                        |

## 6. FINANCE COSTS

|   | 2025<br>HK\$ million | 2024<br>HK\$ million |
|---|----------------------|----------------------|
| Finance costs comprise:   |                      |                      |
| Interest on bank loans  | <b>554</b>           | 592                  |
| Interest on fixed rate notes  | <b>526</b>           | 564                  |
| Imputed interest on amounts due to non-controlling interests  | <b>47</b>            | 46                   |
| Total interest expenses   | <b>1,127</b>         | 1,202                |
| Other finance costs   | <b>62</b>            | 60                   |
| Less: amounts capitalised (Note)  | <b>(695)</b>         | (785)                |
|   | <b>494</b>           | 477                  |
| Net exchange losses (gains) on borrowings   | <b>68</b>            | (79)                 |
| Reclassification of net (gains) losses from hedging reserve on financial instruments designated as cash flow hedges | <b>(15)</b>          | 48                   |
| Medium Term Note Programme expenses   | <b>2</b>             | 4                    |
|   | <b>549</b>           | 450                  |

Note: During the year, interest expenses have been capitalised to investment properties under development at an average capitalization rate of 3.3% (2024: 3.8%) per annum.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 7. TAXATION

|                                  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|----------------------------------|----------------------|----------------------|
| Current tax                      |                      |                      |
| Hong Kong Profits Tax            |                      |                      |
| – current year                   | 222                  | 234                  |
| – under-provision in prior years | 3                    | 21                   |
| Deferred tax (note 27)           | 71                   | 41                   |
|                                  | <b>296</b>           | 296                  |

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

|   | 2025<br>HK\$ million | 2024<br>HK\$ million |
|---|----------------------|----------------------|
| Profit before taxation  | 592                  | 567                  |
| Tax at Hong Kong Profits Tax rate of 16.5%                    | 98                   | 94                   |
| Tax effect of share of results of associates                  | (33)                 | (34)                 |
| Tax effect of share of results of joint ventures              | 129                  | 47                   |
| Tax effect of expenses not deductible for tax purposes        | 658                  | 245                  |
| Tax effect of income not taxable for tax purposes             | (680)                | (193)                |
| Tax effect of estimated tax losses not recognized             | 121                  | 120                  |
| Utilization of estimated tax losses not previously recognized | –                    | (4)                  |
| Under-provision in prior years                                | 3                    | 21                   |
| Taxation for the year   | <b>296</b>           | 296                  |

In addition to the amount charged to the consolidated statement of profit or loss, deferred tax relating to the revaluation of the Group's properties held for own use has been charged directly to properties valuation reserve (see note 27 of the Notes to the Consolidated Financial Statements section).

### 8. PROFIT FOR THE YEAR

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| Profit for the year has been arrived at after charging (crediting):  |                      |                      |
| Auditor's remuneration   | 4                    | 4                    |
| Depreciation of property, plant and equipment  | 42                   | 36                   |
| Gross rental income from investment properties including rentals received with reference to turnover of tenants of HK\$127 million (2024: HK\$136 million) | (3,027)              | (2,989)              |
| Less:  |                      |                      |
| – Direct operating expenses arising from leasing of investment properties  | 244                  | 228                  |
|  | <b>(2,783)</b>       | (2,761)              |
| Interest income (included in investment income)  | (112)                | (134)                |
| Staff costs (including directors' emoluments)  | 324                  | 327                  |
| Share of income tax of associates (included in share of results of associates)   | 94                   | 93                   |

## 9. OTHER COMPREHENSIVE INCOME (EXPENSES)

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| Other comprehensive income (expenses) comprises:                           |                      |                      |
| <b>Items that will not be reclassified subsequently to profit or loss:</b> |                      |                      |
| Revaluation of properties held for own use:                                |                      |                      |
| Loss on revaluation of properties held for own use (net of tax)            | (11)                 | (10)                 |
| Change in fair value of equity instruments at FVTOCI                       | 77                   | 105                  |
|  | <b>66</b>            | 95                   |
| <b>Items that may be reclassified subsequently to profit or loss:</b>      |                      |                      |
| Derivatives designated as cash flow hedges:                                |                      |                      |
| Net losses arising during the year   | (108)                | (73)                 |
| Reclassification of net (gains) losses to profit or loss                   | (15)                 | 48                   |
|  | <b>(123)</b>         | (25)                 |
| Exchange difference on translation of subsidiaries                         | 171                  | (124)                |
| Share of translation reserve of an associate                               | 138                  | (115)                |
|  | <b>186</b>           | (264)                |
| Other comprehensive income (expenses) for the year (net of tax)            | <b>252</b>           | (169)                |

Tax effect relating to other comprehensive income (expenses):

|  | 2025                                 |                                |                                      | 2024                                 |                                |                                      |
|--|--------------------------------------|--------------------------------|--------------------------------------|--------------------------------------|--------------------------------|--------------------------------------|
|  | Before-tax<br>amount<br>HK\$ million | Tax<br>expense<br>HK\$ million | Net-of-tax<br>amount<br>HK\$ million | Before-tax<br>amount<br>HK\$ million | Tax<br>expense<br>HK\$ million | Net-of-tax<br>amount<br>HK\$ million |
| Loss on revaluation of properties held for own use   | (13)                                 | 2                              | (11)                                 | (11)                                 | 1                              | (10)                                 |
| Change in fair value of equity instruments at FVTOCI | 77                                   | –                              | 77                                   | 105                                  | –                              | 105                                  |
| Net adjustments to hedging reserve                   | (123)                                | –                              | (123)                                | (25)                                 | –                              | (25)                                 |
| Exchange difference on translation of subsidiaries   | 171                                  | –                              | 171                                  | (124)                                | –                              | (124)                                |
| Share of translation reserve of an associate         | 138                                  | –                              | 138                                  | (115)                                | –                              | (115)                                |
|  | <b>250</b>                           | <b>2</b>                       | <b>252</b>                           | (170)                                | 1                              | (169)                                |

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 10. DIRECTORS' EMOLUMENTS

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| Directors' fees                              | 3                    | 3                    |
| Other emoluments                             |                      |                      |
| Basic salaries, housing and other allowances | 14                   | 14                   |
| Bonus (Notes d & f)                          | 17                   | 17                   |
| Share-based payments                         | 3                    | 3                    |
|  | <b>37</b>            | <b>37</b>            |

The emoluments paid or payable to each of the Directors for the two years ended 31 December 2025 and 2024, calculated with reference to their employment as Directors or for provision of other services to the Company and the Group, are set out below:

|   | Directors' fees<br>HK\$'000<br>(Note e) | Basic salaries, housing and other allowances<br>HK\$'000<br>(Note d) | Bonus<br>HK\$'000<br>(Note d) | Share-based payments<br>HK\$'000<br>(Note g) | Retirement benefits scheme contributions<br>HK\$'000 | Total<br>HK\$'000 |
|---|---|--|-------------------------------|--|--|-------------------|
| <b>For the year ended 31 December 2025</b>          |   |  |                               |  |  |                   |
| <b>Executive Directors</b> (Note a)                 |   |  |                               |  |  |                   |
| Lee Irene Yun-Lien                                  | –                                       | 8,240  | 11,124                        | 1,555  | 18   | 20,937            |
| Lui Kon Wai   | –                                       | 5,953  | 5,953                         | 898  | 18   | 12,822            |
| <b>Non-Executive Directors</b> (Note b)             |   |  |                               |  |  |                   |
| Lee Anthony Hsien Pin                               | 388                                     | –  | –                             | –  | –  | 388               |
| Lee Chien   | 310                                     | –  | –                             | –  | –  | 310               |
| Lee Tze Hau Michael                                 | 310                                     | –  | –                             | –  | –  | 310               |
| <b>Independent Non-Executive Directors</b> (Note c) |   |  |                               |  |  |                   |
| Churchouse Frederick Peter                          | 504                                     | –  | –                             | –  | –  | 504               |
| Poon Chung Yin Joseph (Note h)                      | 211                                     | –  | –                             | –  | –  | 211               |
| Wong Ching Ying Belinda                             | 327                                     | –  | –                             | –  | –  | 327               |
| Young Elaine Carole                                 | 375                                     | –  | –                             | –  | –  | 375               |
| Chung Cordelia                                      | 385                                     | –  | –                             | –  | –  | 385               |
| Zhang Yong  | 388                                     | –  | –                             | –  | –  | 388               |
|   | <b>3,198</b>                            | <b>14,193</b>  | <b>17,077</b>                 | <b>2,453</b>                                 | <b>36</b>  | <b>36,957</b>     |

## 10. DIRECTORS' EMOLUMENTS (continued)

|   | Directors' fees<br>HK\$'000<br>(Note e) | Basic salaries, housing and other allowances<br>HK\$'000<br>(Note f) | Bonus<br>HK\$'000<br>(Note f) | Share-based payments<br>HK\$'000<br>(Note g) | Retirement benefits scheme contributions<br>HK\$'000 | Total<br>HK\$'000 |
|---|---|--|-------------------------------|--|--|-------------------|
| <b>For the year ended 31 December 2024</b>          |   |  |                               |  |  |                   |
| <b>Executive Directors</b> (Note a)                 |   |  |                               |  |  |                   |
| Lee Irene Yun-Lien                                  | –                                       | 8,240  | 11,124                        | 1,852  | 18   | 21,234            |
| Lui Kon Wai   | –                                       | 5,953  | 5,953                         | 1,038  | 18   | 12,962            |
| <b>Non-Executive Directors</b> (Note b)             |   |  |                               |  |  |                   |
| Lee Anthony Hsien Pin                               | 388                                     | –  | –                             | –  | –  | 388               |
| Lee Chien   | 310                                     | –  | –                             | –  | –  | 310               |
| Lee Tze Hau Michael                                 | 310                                     | –  | –                             | –  | –  | 310               |
| <b>Independent Non-Executive Directors</b> (Note c) |   |  |                               |  |  |                   |
| Churchouse Frederick Peter                          | 463                                     | –  | –                             | –  | –  | 463               |
| Fan Yan Hok Philip (Note i)                         | 200                                     | –  | –                             | –  | –  | 200               |
| Poon Chung Yin Joseph                               | 490                                     | –  | –                             | –  | –  | 490               |
| Wong Ching Ying Belinda                             | 310                                     | –  | –                             | –  | –  | 310               |
| Young Elaine Carole                                 | 356                                     | –  | –                             | –  | –  | 356               |
| Chung Cordelia                                      | 372                                     | –  | –                             | –  | –  | 372               |
| Zhang Yong (Note j)                                 | 24                                      | –  | –                             | –  | –  | 24                |
|   | 3,223                                   | 14,193   | 17,077                        | 2,890  | 36   | 37,419            |

# Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

## 10. DIRECTORS' EMOLUMENTS (continued)

Notes:

- (a) The Executive Directors' emoluments shown above were for the services in connection with the management of the affairs of the Company and the Group.  
 (b) The Non-Executive Directors' emoluments shown above were for the services as Directors.  
 (c) The Independent Non-Executive Directors' emoluments shown above were for the services as Directors.  
 (d) The annual cash remuneration of Lee Irene Yun-Lien, Chairman, and Lui Kon Wai, Executive Director and Chief Operating Officer, are comprised of (i) fixed base salary; and (ii) variable performance bonus which is determined by reference to the Company's performance as well as individual performance and contribution, to be measured against annual financial and operational targets.

For the year ended 31 December 2025, Lee Irene Yun-Lien's base salary of HK\$8,240,000 and the performance bonus of HK\$11,124,000 were approved by the Remuneration Committee in February 2025 and February 2026 respectively.

For the year ended 31 December 2025, Lui Kon Wai's base salary of HK\$5,953,000 and the performance bonus of HK\$5,953,000 were approved by the Remuneration Committee in February 2025 and February 2026 respectively.

- (e) Last revision of annual Directors' fees for serving on the Board (effective 1 June 2019) were approved by shareholders at the 2019 AGM. Fees of chairman and members of the Sustainability Committee (effective 1 January 2020) were approved by the Board in February 2020. Details are set out in Remuneration Committee Report. Directors' fees are calculated on annual basis and paid semi-annually. For Directors not having served the full year on a position, the fees will be calculated and paid on pro rata basis.

Breakdown of Directors' fees of each of the Directors of the Company for the year ended 31 December 2025 is set out below:

|  | Audit and<br>Risk<br>Management<br>Board<br>HK\$'000 | Remuneration<br>Committee<br>HK\$'000 | Nomination<br>Committee<br>HK\$'000 | Sustainability<br>Committee<br>HK\$'000 | 2025<br>Total<br>HK\$'000 | 2024<br>Total<br>HK\$'000 |
|--|--|---------------------------------------|-------------------------------------|---|---------------------------|---------------------------|
| <b>Executive Directors</b>                 |  |                                       |                                     |   |                           |                           |
| Lee Irene Yun-Lien                         | -  | -                                     | -                                   | -                                       | -                         | -                         |
| Lui Kon Wai                                | -  | -                                     | -                                   | -                                       | -                         | -                         |
| <b>Non-Executive Directors</b>             |  |                                       |                                     |   |                           |                           |
| Lee Anthony Hsien Pin                      | 280  | 108                                   | -                                   | -                                       | 388                       | 388                       |
| Lee Chien                                  | 280  | -                                     | -                                   | 30                                      | 310                       | 310                       |
| Lee Tze Hau Michael                        | 280  | -                                     | -                                   | 30                                      | 310                       | 310                       |
| <b>Independent Non-Executive Directors</b> |  |                                       |                                     |   |                           |                           |
| Churchouse Frederick Peter                 | 280  | 149                                   | 45                                  | 30                                      | 504                       | 463                       |
| Fan Yan Hok Philip                         | -  | -                                     | -                                   | -                                       | -                         | 200                       |
| Poon Chung Yin Joseph                      | 121  | 77                                    | -                                   | 13                                      | 211                       | 490                       |
| Wong Ching Ying Belinda                    | 280  | -                                     | -                                   | 17                                      | 327                       | 310                       |
| Young Elaine Carole                        | 280  | -                                     | 45                                  | -                                       | 375                       | 356                       |
| Chung Cordelia                             | 280  | -                                     | 75                                  | 30                                      | 385                       | 372                       |
| Zhang Yong                                 | 280  | 108                                   | -                                   | -                                       | 388                       | 24                        |
|  | <b>2,361</b>   | <b>442</b>                            | <b>165</b>                          | <b>120</b>                              | <b>3,198</b>              | 3,223                     |

- (f) The annual cash remuneration of Lee Irene Yun-Lien, Chairman, and Lui Kon Wai, Executive Director and Chief Operating Officer, are comprised of (i) fixed base salary; and (ii) variable performance bonus which is determined by reference to the Company's performance as well as individual performance and contribution, to be measured against annual financial and operational targets.  
 For the year ended 31 December 2024, Lee Irene Yun-Lien's base salary of HK\$8,240,000 and the performance bonus of HK\$11,124,000 were approved by the Remuneration Committee in February 2024 and February 2025 respectively.  
 For the year ended 31 December 2024, Lui Kon Wai's base salary of HK\$5,953,000 and the performance bonus of HK\$5,953,000 were approved by the Remuneration Committee in February 2024 and February 2025 respectively.
- (g) Share-based payments are the fair values of share options and share awards granted to Executive Director, which are determined at the date of grant and expensed over the vesting period (except where options are forfeited before vesting), regardless of whether the Executive Director exercises the share options or not during the year. Details of the share schemes are set out in note 36 of the Notes to the Consolidated Financial Statements section.
- (h) Poon Chung Yin Joseph retired as an Independent Non-Executive Director, the chairman of the Audit and Risk Management Committee and a member of the Nomination Committee with effect from the conclusion of 2025 AGM on 5 June 2025.
- (i) Fan Yan Hok Philip retired as an Independent Non-Executive Director, the chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee with effect from the conclusion of 2024 AGM on 5 June 2024.
- (j) Zhang Yong was appointed as an Independent Non-Executive Director and a member of the Audit and Risk Management Committee with effect from 9 December 2024.

There was no arrangement under which a Director waived or agreed to waive any remuneration during both years.

There was no payment to a Director as inducement for Director to join the Group or compensation for the loss of office as a Director in connection with the management of the affairs of any member of the Group during both years.

Details of material interests of the Directors in transactions, arrangements or contracts entered into by subsidiaries of the Company are disclosed in the Directors' Report.

## 11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2024: two) were Directors, details of whose emoluments are included in note 10 of the Notes to the Consolidated Financial Statements section. The emoluments of all of the five individuals with the highest emoluments for the years ended 31 December 2025 and 2024 were as follows:

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| Basic salaries, housing and other allowances | 22                   | 22                   |
| Bonus  | 20                   | 20                   |
| Share-based payments (Note)                  | 4                    | 4                    |
|  | <b>46</b>            | <b>46</b>            |

Note: Share-based payments are the fair values of share options and Awarded Shares granted to Executive Directors and eligible employees, which are determined at the date of grant and expensed over the vesting period (except where options are forfeited before vesting), regardless of whether the Executive Directors or eligible employees exercise the share options or not during the year.

Their emoluments are within the following bands:

|                                  | Number of individuals |          |
|----------------------------------|-----------------------|----------|
|                                  | 2025                  | 2024     |
| HK\$2,500,001 to HK\$3,000,000   | –                     | 1        |
| HK\$3,000,001 to HK\$3,500,000   | 1                     | 1        |
| HK\$3,500,001 to HK\$4,000,000   | 1                     | –        |
| HK\$5,000,001 to HK\$5,500,000   | 1                     | 1        |
| HK\$12,500,001 to HK\$13,000,000 | 1                     | 1        |
| HK\$20,500,001 to HK\$21,000,000 | 1                     | –        |
| HK\$21,000,001 to HK\$21,500,000 | –                     | 1        |
|                                  | <b>5</b>              | <b>5</b> |

Senior management during the year are Executive Directors and other members of senior management of the Group. Their emoluments are within the following bands.

|                                  | Number of individuals |          |
|----------------------------------|-----------------------|----------|
|                                  | 2025                  | 2024     |
| HK\$1,000,001 to HK\$2,000,000   | 1                     | 1        |
| HK\$2,000,001 to HK\$3,000,000   | –                     | 1        |
| HK\$3,000,001 to HK\$4,000,000   | 1                     | –        |
| HK\$5,000,001 to HK\$6,000,000   | 1                     | 1        |
| HK\$12,000,001 to HK\$13,000,000 | 1                     | 1        |
| HK\$20,000,001 to HK\$21,000,000 | 1                     | –        |
| HK\$21,000,001 to HK\$22,000,000 | –                     | 1        |
|                                  | <b>5</b>              | <b>5</b> |

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 12. DIVIDENDS

#### (a) Dividends recognized as distribution during the year:

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| 2025 first interim dividend paid – HK27 cents per share  | 277                  | –                    |
| 2024 first interim dividend paid – HK27 cents per share  | –                    | 277                  |
| 2024 second interim dividend paid – HK81 cents per share | 832                  | –                    |
| 2023 second interim dividend paid – HK81 cents per share | –                    | 832                  |
|  | <b>1,109</b>         | 1,109                |

#### (b) Dividends declared after the end of the reporting period:

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| Second interim dividend (in lieu of a final dividend)<br>– HK81 cents per share (2024: HK81 cents per share) | 832                  | 832                  |

The second interim dividend is not recognized as a liability as at 31 December 2025 because it has been declared after the end of the reporting period. It will be payable in cash.

### 13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

|   | Earnings             |                      |
|---|----------------------|----------------------|
|   | 2025<br>HK\$ million | 2024<br>HK\$ million |
| Earnings for the purposes of basic and diluted earnings per share:                                    |                      |                      |
| Earnings for the year attributable to owners of the Company   | 315                  | 35                   |
|   |                      |                      |
|   | Number of shares     |                      |
|   | 2025                 | 2024                 |
| Weighted average number of ordinary shares for the purpose of basic<br>and diluted earnings per share | <b>1,027,008,223</b> | 1,027,008,223        |

During the year ended 31 December 2025 and 2024, the computation of diluted earnings per share does not assume the exercise of certain of the Company's outstanding share options as the exercise prices of those options were higher than the average market price for shares.

## 14. INVESTMENT PROPERTIES

|   | 2025<br>HK\$ million | 2024<br>HK\$ million |
|---|----------------------|----------------------|
| <b>Fair Value</b>                                   |                      |                      |
| At 1 January  | <b>96,547</b>        | 96,005               |
| Additions   | <b>3,787</b>         | 2,421                |
| Transfer to property, plant and equipment           | <b>(113)</b>         | (248)                |
| Change in fair value recognized in profit or loss   | <b>(1,405)</b>       | (1,506)              |
| Disposals   | <b>(1,816)</b>       | –                    |
| Reclassified as investment properties held for sale | <b>(1,611)</b>       | –                    |
| Fair value gain on disposed investment properties   | <b>592</b>           | –                    |
| Exchange difference                                 | <b>176</b>           | (125)                |
| <b>As at 31 December</b>                            | <b>96,157</b>        | 96,547               |

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group's investment properties as at 31 December 2025 and 2024 and as at the date of transfer from/to property, plant and equipment to/from investment properties has been arrived at on the basis of a valuation carried out on the respective dates by Knight Frank Petty Limited, an independent qualified professional valuer not connected with the Group. The Group's investment properties have been valued individually, on market value basis, which conforms to The Hong Kong Institute of Surveyors Valuation Standards. In estimating the fair value of the investment properties, the management of the Group has considered the highest and best use of the investment properties as their current use.

### Investment properties in Hong Kong

The value of the completed investment properties is derived from the basis of capitalization of net income with due allowance for the reversionary income potential but without allowances for any expenses or taxation which may be incurred in effecting a sale, and where appropriate, cross reference by sale comparables.

For investment properties under development, residual method of valuation was adopted. The value is based on the development potential of the properties as if they were completed in accordance with the existing development proposal at the date of valuation. The value has also taken into consideration all costs of development and allowance of profit required for the development, which duly reflected the risks associated with the development.

There has been no change to the valuation technique during the year for completed properties and properties under development in Hong Kong.

As at 31 December 2025, the aggregate fair value of the investment properties under development of the Group in Hong Kong amounted to HK\$22,280 million (2024: HK\$20,680 million) have been pledged as securities for the Group's borrowings.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 14. INVESTMENT PROPERTIES (continued)

#### Investment properties in Mainland

Income capitalization approach – discounted cash flow (“DCF”) analysis was adopted for the valuation of such completed investment properties in Mainland. The DCF analysis is based on prospective periodic net cash flow to operating properties, which is typically estimated as gross income less vacancy and operating expenses and other outgoings. The series of periodic net operating cash flow, along with an estimate of the reversionary or terminal value anticipated at the end of the projection period, is then discounted at the discount rate, being the cost of capital or the rate of required return, into present value. A 10-year investment horizon has been undertaken for the DCF analysis and the net income in the year eleven is capitalised at an appropriate yield.

#### Fair value measurements using significant unobservable inputs (Level 3)

At the end of the reporting period, the management of the Group works with Knight Frank Petty Limited to establish and determine the appropriate valuation techniques and inputs for Level 3 fair value measurements. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the Directors of the Company.

All of the fair value measurements of the Group’s investment properties were categorized into Level 3 of the fair value hierarchy. There were no transfers into or out of Level 3 during both years. Details of fair value hierarchy are set out as below.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements of the Group’s investment properties by operating and reportable segment.

|   | Retail<br>HK\$ million | Office<br>HK\$ million | Residential<br>HK\$ million | Investment<br>properties under<br>development<br>HK\$ million | Total<br>HK\$ million |
|---|------------------------|------------------------|-----------------------------|---|-----------------------|
| As at 1 January 2024                                | 32,480                 | 35,688                 | 8,647                       | 19,190  | 96,005                |
| Additions   | 192                    | 158                    | 21                          | 2,050   | 2,421                 |
| Transfer between operating and reportable segments  | 135                    | (135)                  | –                           | –   | –                     |
| Transfer to property, plant and equipment           | –                      | (248)                  | –                           | –   | (248)                 |
| Change in fair value recognized in profit or loss   | 310                    | (1,252)                | (4)                         | (560)   | (1,506)               |
| Exchange difference                                 | (23)                   | (102)                  | –                           | –   | (125)                 |
| As at 31 December 2024                              | 33,094                 | 34,109                 | 8,664                       | 20,680  | 96,547                |
| Additions   | <b>612</b>             | <b>194</b>             | <b>32</b>                   | <b>2,949</b>  | <b>3,787</b>          |
| Transfer to property, plant and equipment           | <b>(87)</b>            | <b>(26)</b>            | –                           | –   | <b>(113)</b>          |
| Change in fair value recognized in profit or loss   | <b>(986)</b>           | <b>(1,342)</b>         | <b>2,272</b>                | <b>(1,349)</b>  | <b>(1,405)</b>        |
| Disposals   | –                      | –                      | <b>(1,816)</b>              | –   | <b>(1,816)</b>        |
| Reclassified as investment properties held for sale | –                      | –                      | <b>(1,611)</b>              | –   | <b>(1,611)</b>        |
| Fair value gain on disposed investment properties   | –                      | –                      | <b>592</b>                  | –   | <b>592</b>            |
| Exchange difference                                 | <b>34</b>              | <b>142</b>             | –                           | –   | <b>176</b>            |
| As at 31 December 2025                              | <b>32,667</b>          | <b>33,077</b>          | <b>8,133</b>                | <b>22,280</b>   | <b>96,157</b>         |

## 14. INVESTMENT PROPERTIES (continued)

### Information about fair value measurements using significant unobservable inputs (Level 3)

The following table shows the valuation techniques used in the determination of fair value for investment properties by operating and reportable segment and unobservable inputs used in the valuation models.

| Description                               | Fair value as at 31 December |                      | Valuation techniques           | Significant unobservable inputs  | Range/weighted average of unobservable inputs  |
|---|------------------------------|----------------------|--------------------------------|--|--|
|   | 2025<br>HK\$ million         | 2024<br>HK\$ million |                                |  |  |
| <b>Investment properties in Hong Kong</b> |                              |                      |                                |  |  |
| Retail                                    | 32,031                       | 32,450               | Income capitalization approach | (i) Capitalization rate<br><br>(ii) Prevailing market rent per month                               | 5.25%–5.50%<br>(2024: 5.25%–5.50%)<br><br>HK\$132 per square foot<br>(2024: HK\$133 per square foot)         |
| Office                                    | 30,380                       | 31,365               | Income capitalization approach | (i) Capitalization rate<br><br>(ii) Prevailing market rent per month                               | 4.25%–5.00%<br>(2024: 4.25%–5.00%)<br><br>HK\$53 per square foot<br>(2024: HK\$55 per square foot)           |
| Residential                               | 8,133                        | 8,664                | Income capitalization approach | (i) Capitalization rate<br><br>(ii) Prevailing market rent per month                               | 3.00% (2024: 3.75%)<br><br>HK\$41 per square foot<br>(2024: HK\$39 per square foot)                          |
| Investment properties under development   | 22,280                       | 20,680               | Residual method                | (i) Capitalization rate<br><br>(ii) Prevailing market rent per month                               | 3.50%–5.00%<br>(2024: 3.50%–5.00%)<br><br>HK\$84 per square foot<br>(2024: HK\$94 per square foot)           |
| <b>Investment properties in Mainland</b>  |                              |                      |                                |  |  |
| Retail and Office                         | 3,333                        | 3,388                | Discounted cash flow method    | (i) Prevailing market rent per month<br><br>(ii) Discount rate<br><br>(iii) Stabilised growth rate | RMB20 per square foot<br>(2024: RMB21 per square foot)<br><br>7.25% (2024: 7.25%)<br><br>4.00% (2024: 4.00%) |

The higher the capitalization rate and discount rate, the lower the fair value, and vice versa.

The higher the stabilised growth rate, the higher the fair value, and vice versa.

Prevailing market rent is estimated based on independent valuer's view of recent lettings, within the subject properties and other comparable properties. It does not always equal to the committed rent by tenants. The higher the prevailing market rent, the higher the fair value, and vice versa.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 15. PROPERTY, PLANT AND EQUIPMENT

|                                     | Leasehold<br>land and<br>buildings<br>HK\$ million<br>(Note) | Furniture,<br>fixtures and<br>equipment<br>HK\$ million | Computers<br>HK\$ million | Motor<br>vehicles<br>HK\$ million | Total<br>HK\$ million |
|-------------------------------------|--|---|---------------------------|-----------------------------------|-----------------------|
| <b>COST OR VALUATION</b>            |  |   |                           |                                   |                       |
| As at 1 January 2024                | 532  | 131   | 172                       | 3                                 | 838                   |
| Additions                           | –  | 6   | 29                        | –                                 | 35                    |
| Transfer from investment properties | 248  | –   | –                         | –                                 | 248                   |
| Exchange difference                 | (1)  | –   | –                         | –                                 | (1)                   |
| Deficit on revaluation              | (22)   | –   | –                         | –                                 | (22)                  |
| As at 31 December 2024              | 757  | 137   | 201                       | 3                                 | 1,098                 |
| Additions                           | –  | 8   | 8                         | –                                 | 16                    |
| Transfer from investment properties | 113  | –   | –                         | –                                 | 113                   |
| Exchange difference                 | 2  | –   | –                         | –                                 | 2                     |
| Deficit on revaluation              | (29)   | –   | –                         | –                                 | (29)                  |
| <b>As at 31 December 2025</b>       | <b>843</b>   | <b>145</b>  | <b>209</b>                | <b>3</b>                          | <b>1,200</b>          |
| Comprising:                         |  |   |                           |                                   |                       |
| At cost                             | –  | 145   | 209                       | 3                                 | 357                   |
| At valuation                        | 843  | –   | –                         | –                                 | 843                   |
|                                     | <b>843</b>   | <b>145</b>  | <b>209</b>                | <b>3</b>                          | <b>1,200</b>          |
| <b>ACCUMULATED DEPRECIATION</b>     |  |   |                           |                                   |                       |
| As at 1 January 2024                | –  | 113   | 130                       | 1                                 | 244                   |
| Provided for the year               | 11   | 6   | 19                        | –                                 | 36                    |
| Eliminated on revaluation           | (11)   | –   | –                         | –                                 | (11)                  |
| As at 31 December 2024              | –  | 119   | 149                       | 1                                 | 269                   |
| Provided for the year               | 16   | 7   | 19                        | –                                 | 42                    |
| Eliminated on revaluation           | (16)   | –   | –                         | –                                 | (16)                  |
| <b>As at 31 December 2025</b>       | <b>–</b>   | <b>126</b>  | <b>168</b>                | <b>1</b>                          | <b>295</b>            |
| <b>CARRYING AMOUNTS</b>             |  |   |                           |                                   |                       |
| <b>As at 31 December 2025</b>       | <b>843</b>   | <b>19</b>   | <b>41</b>                 | <b>2</b>                          | <b>905</b>            |
| As at 31 December 2024              | 757  | 18  | 52                        | 2                                 | 829                   |

The above items of property, plant and equipment are depreciated on a straight-line basis over the following terms or at the following rates per annum:

|                                   |  |
|-----------------------------------|--|
| Leasehold land and buildings      | Over the term of the lease or 40 years |
| Furniture, fixtures and equipment | 20%                                    |
| Computers                         | 20%                                    |
| Motor vehicles                    | 25%                                    |

## 15. PROPERTY, PLANT AND EQUIPMENT (continued)

Note:

### Fair value measurements and valuation processes

The fair value of the Group's leasehold land and buildings as at 31 December 2025 and 2024 and as at the date of transfer to/from investment properties from/to property, plant and equipment has been arrived at on the basis of a valuation carried out on those dates by Knight Frank Petty Limited, an independent qualified professional valuer not connected with the Group. The Group's leasehold land and buildings have been valued individually, on market value basis, which conforms to The Hong Kong Institute of Surveyors Valuation Standards. In estimating the fair value of the properties, the management of the Group has considered the highest and best use of the properties as their current use.

#### Leasehold land and buildings in Hong Kong

The value of leasehold land and building in Hong Kong was derived from the basis of capitalization of net income with due allowance for the reversionary income potential but without allowance of any expenses or taxation which may be incurred in effecting a sale, and where appropriate, cross reference by sale comparables. There has been no change to the valuation technique during the year.

#### Leasehold land and buildings in Mainland

DCF analysis was adopted for the valuation of leasehold land and buildings in Mainland. The DCF analysis is based on prospective periodic net cash flow to operating properties, which is typically estimated as gross income less vacancy and operating expenses and other outgoings. The series of periodic net operating cash flow, along with an estimate of the reversionary or terminal value anticipated at the end of the projection period, is then discounted at the discount rate, being the cost of capital or the rate of required return, into present value. A 10-year investment horizon has been undertaken for the DCF analysis and the net income in the year eleven is capitalised at an appropriate yield.

All of the fair value measurements of the Group's leasehold land and buildings in Hong Kong and Mainland were categorized into Level 3 of the fair value hierarchy. Details of fair value hierarchy are set out as below.

There were no transfers into or out of Level 3 during the year.

At the end of the reporting period, the management of the Group works with Knight Frank Petty Limited to establish and determine the appropriate valuation techniques and inputs for Level 3 fair value measurements. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the Directors of the Company.

### Information about fair value measurements using significant unobservable inputs (Level 3)

The following table shows the valuation techniques used in the determination of fair value for leasehold land and buildings in Hong Kong and Mainland and unobservable inputs used in the valuation models.

| Description                               | Fair value as at 31 December |                      | Valuation techniques           | Significant unobservable inputs  | Range/weighted average of unobservable inputs  |
|---|------------------------------|----------------------|--------------------------------|--|--|
|   | 2025<br>HK\$ million         | 2024<br>HK\$ million |                                |  |  |
| Leasehold land and buildings in Hong Kong | 800                          | 739                  | Income capitalization approach | (i) Capitalization rate<br><br>(ii) Prevailing market rent per month                               | 4.25%–5.00%<br>(2024: 4.25%–5.00%)<br><br>HK\$56 per square foot<br>(2024: HK\$57 per square foot)           |
| Leasehold land and buildings in Mainland  | 43                           | 18                   | Discounted cash flow method    | (i) Prevailing market rent per month<br><br>(ii) Discount rate<br><br>(iii) Stabilised growth rate | RMB19 per square foot<br>(2024: RMB20 per square foot)<br><br>7.25% (2024: 7.25%)<br><br>4.00% (2024: 4.00%) |

The higher the capitalization rate, the lower the fair value, and vice versa.

Prevailing market rent is estimated based on independent values view of recent lettings, within the subject properties and other comparable properties. It does not always equal to the committed rent by tenants. The higher the prevailing market rent, the higher the fair value, and vice versa.

The loss of HK\$11 million (2024: loss of HK\$10 million) arising on revaluation has been recognized in other comprehensive income and accumulated in properties revaluation reserve.

Had the Group's leasehold land and buildings in Hong Kong and Mainland been measured at historical cost less subsequent accumulated depreciation, their carrying amounts would have been HK\$603 million (2024: HK\$531 million) and HK\$46 million (2024: HK\$21 million) respectively at the end of the reporting period.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 16. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The table below lists the principal subsidiaries of the Company:

| Name of subsidiaries                          | Place of establishment/<br>incorporation/<br>operation | Issued<br>share capital/<br>registered capital | Proportion of ownership<br>interests/voting rights<br>held by the Company |            | Principal activities               |
|---|--|--|---|------------|------------------------------------|
|   |  |  | directly  | indirectly |                                    |
| Admore Investments Limited                    | Hong Kong  | HK\$2  | 100%  | –          | Investment holding                 |
| Alpha Ace Limited                             | Hong Kong  | HK\$1  | –   | 100%       | Property development               |
| Bamboo Grove Recreational Services<br>Limited | Hong Kong  | HK\$2  | –   | 100%       | Resident club management           |
| Barrowgate Limited                            | Hong Kong  | HK\$10,000                                     | –   | 65.36%     | Property investment                |
| Earn Extra Investments Limited                | Hong Kong  | HK\$1  | –   | 100%       | Property investment                |
| Elect Global Investments Limited              | British Virgin Islands/<br>Hong Kong                   | US\$1  | 100%  | –          | Treasury operation                 |
| HD Investment Limited                         | British Virgin Islands                                 | HK\$1  | –   | 100%       | Investment holding                 |
| HD Treasury Limited                           | Hong Kong  | HK\$2  | 100%  | –          | Treasury operation                 |
| Hysan Corporate Services Limited              | Hong Kong  | HK\$2  | 100%  | –          | Provision of corporate<br>services |
| Hysan Leasing Company Limited                 | Hong Kong  | HK\$2  | 100%  | –          | Leasing administration             |
| Hysan (MTN) Limited                           | British Virgin Islands/<br>Hong Kong                   | US\$1  | 100%  | –          | Treasury operation                 |
| Hysan Marketing Services Limited              | Hong Kong  | HK\$1  | –   | 100%       | General business                   |
| Hysan IT Services Company Limited             | Hong Kong  | HK\$1  | –   | 100%       | Information technology             |
| Hysan Property Management Limited             | Hong Kong  | HK\$2  | 100%  | –          | Property management                |
| Hysan (Shanghai) Properties Limited           | PRC  | RMB2,021,750,000                               | –   | 100%       | Property investment                |
| Hysan Treasury Limited                        | Hong Kong  | HK\$2  | 100%  | –          | Treasury operation                 |
| Kwong Hup Holding Limited                     | British Virgin Islands                                 | HK\$1  | 100%  | –          | Investment holding                 |
| Kwong Wan Realty Limited                      | Hong Kong  | HK\$1,000                                      | 100%  | –          | Property investment                |
| Lee Theatre Realty Limited                    | Hong Kong  | HK\$10   | –   | 100%       | Property investment                |
| Leighton Property Company Limited             | Hong Kong  | HK\$2  | –   | 100%       | Property investment                |
| Minsal Limited                                | Hong Kong  | HK\$2  | 100%  | –          | Property investment                |
| Main Rise Development Limited                 | Hong Kong  | HK\$2  | –   | 100%       | Investment holding                 |
| Mariner Bay Limited                           | British Virgin Islands/<br>Hong Kong                   | US\$1  | –   | 100%       | Investment holding                 |
| Mondsee Limited                               | Hong Kong  | HK\$2  | 100%  | –          | Property investment                |
| OHA Property Company Limited                  | Hong Kong  | HK\$2  | –   | 100%       | Property investment                |
| Patchway Holdings (HK) Limited                | Hong Kong  | HK\$1  | –   | 60%        | Property investment                |
| Patchway Holdings Limited                     | British Virgin Islands                                 | US\$10   | –   | 60%        | Investment holding                 |
| Perfect Win Properties Limited                | Hong Kong  | HK\$2  | –   | 100%       | Property investment                |
| Silver Nicety Company Limited                 | Hong Kong  | HK\$20   | –   | 100%       | Property investment                |

The Directors of the Company are of the opinion that a complete list of all subsidiaries and their particulars will be of excessive length and therefore the above table contains only those subsidiaries which materially contribute to the net income of the Group or hold a material portion of the assets or liabilities or otherwise are operating subsidiaries of the Company.

## 16. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

The Group's subsidiaries that have material non-controlling interests includes Barrowgate Limited ("Barrowgate"), Patchway Holdings Limited ("Patchway") and Elect Global Investments Limited ("Elect Global"). Elect Global's issued ordinary shares are fully held by the Group. As disclosed in note 28 of the Notes to Consolidated Financial Statement section, Elect Global issued perpetual capital securities which are classified as equity to parties outside the Group. The amount of such non-controlling interests of Elect Global has been disclosed in consolidated statement of changes in equity as perpetual capital securities.

The summarized financial information in respect of Barrowgate and Patchway are set out below. The summarized financial information below represents amounts before intragroup eliminations.

|   | 2025                       |                          | 2024                       |                          |
|---|----------------------------|--------------------------|----------------------------|--------------------------|
|   | Barrowgate<br>HK\$ million | Patchway<br>HK\$ million | Barrowgate<br>HK\$ million | Patchway<br>HK\$ million |
| Current assets  | 89                         | 12                       | 153                        | 431                      |
| Non-current assets  | 9,403                      | 22,301                   | 9,717                      | 20,721                   |
| Current liabilities   | (690)                      | (739)                    | (754)                      | (358)                    |
| Non-current liabilities   | (266)                      | (24,988)                 | (248)                      | (23,028)                 |
| Turnover  | 503                        | –                        | 557                        | –                        |
| (Loss) profit and total comprehensive<br>(expenses) income for the year                                       | (43)                       | (1,180)                  | 203                        | (348)                    |
| (Loss) profit and total comprehensive<br>(expenses) income attributable to<br>other non-controlling interests | (15)                       | (472)                    | 70                         | (139)                    |
| Accumulated non-controlling interests   | 2,957                      | (1,603)                  | 3,073                      | (1,074)                  |
| Dividends paid to other non-controlling interests   | 101                        | –                        | 104                        | –                        |
| Net cash inflows from operating activities  | 312                        | –                        | 347                        | –                        |
| Net cash outflows used in investing activities  | (69)                       | –                        | (45)                       | –                        |
| Net cash outflows used in financing activities  | (320)                      | –                        | (330)                      | –                        |

## 17. INVESTMENTS IN ASSOCIATES AND LOANS TO ASSOCIATES

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| Cost of unlisted investments   | 2                    | 2                    |
| Share of post-acquisition profits and other comprehensive income,<br>net of dividends received | 5,472                | 5,345                |
|  | 5,474                | 5,347                |
| Loans to associates classified as:<br>Non-current assets                                       | 8                    | 8                    |

The balances of loans to associates are unsecured, interest-free and have no fixed repayment terms. The Directors of the Company are of the opinion that the Group will not demand repayment from the associates within the next twelve months from the end of the reporting period and the loans are therefore classified as non-current assets.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 17. INVESTMENTS IN ASSOCIATES AND LOANS TO ASSOCIATES (continued)

The Directors of the Company are of the opinion that a complete list of all associates will be of excessive length and the Group summarizes details of the Group's material associate as at 31 December 2025 and 2024 as follows:

| Name of associates  | Form of business structure        | Place of incorporation/ establishment and operation | Class of share held/ registered capital | Effective interest held by the Group | Principal activities             |
|---|-----------------------------------|---|---|--------------------------------------|----------------------------------|
| Country Link Enterprises Limited (Note)                           | Private limited company           | Hong Kong   | Ordinary share of HK\$5,000,000         | 26.3%                                | Investment holding               |
| Shanghai Kong Hui Property Development Co., Ltd. (Note)           | Sino-Foreign equity joint venture | The PRC   | US\$165,000,000 <sup>#</sup>            | 24.7%                                | Property development and leasing |
| Shanghai Grand Gateway Plaza Property Management Co., Ltd. (Note) | Sino-Foreign equity joint venture | The PRC   | US\$140,000 <sup>#</sup>                | 23.7%                                | Property management              |

<sup>#</sup> Fully paid-up registered capital

Note: Shanghai Kong Hui Property Development Co., Ltd. and Shanghai Grand Gateway Plaza Property Management Co., Ltd. are non-wholly owned subsidiaries of Country Link Enterprises Limited, together known as "Country Link".

The summarized consolidated financial information in respect of the Group's material associate is set out below. The summarized consolidated financial information below represents amounts shown in the associate's consolidated financial statements prepared in accordance with HKFRS Accounting Standards. All of the Group's associates are accounted for using the equity method in the Group's consolidated financial statements.

#### Country Link

|   | 2025<br>HK\$ million | 2024<br>HK\$ million |
|---|----------------------|----------------------|
| Current assets  | 2,467                | 2,338                |
| Non-current assets                                    | 27,263               | 26,696               |
| Current liabilities                                   | (1,053)              | (1,016)              |
| Non-current liabilities                               | (6,513)              | (6,368)              |
| Turnover  | 1,650                | 1,670                |
| Profit for the year                                   | 821                  | 825                  |
| Other comprehensive income (expenses) for the year    | 559                  | (471)                |
| Total comprehensive income for the year               | 1,380                | 354                  |
| Dividends received from the associate during the year | 213                  | 230                  |

## 17. INVESTMENTS IN ASSOCIATES AND LOANS TO ASSOCIATES (continued)

### Country Link (continued)

Reconciliation of the above summarized consolidated financial information to the carrying amount of the interest in the associate that is material to the Group recognized in the consolidated financial statements:

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| Net assets of the associate  | 22,164               | 21,650               |
| Non-controlling interests of the associate   | (1,319)              | (1,289)              |
| Net assets of the associate after deducting non-controlling interests of the associate | 20,845               | 20,361               |
| Proportion of the Group's ownership interest in the associate                          | 26.3%                | 26.3%                |
| Group's share of net assets of the associate   | 5,482                | 5,355                |
| Others   | (2)                  | (2)                  |
| Carrying amount of the Group's interest in the associate                               | 5,480                | 5,353                |

## 18. INVESTMENTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES

Details of the Group's investments in and loans to joint ventures are as follows:

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| Investments in joint ventures  |                      |                      |
| Unlisted shares, at cost   | 361                  | 361                  |
| Deemed capital contribution in a joint venture (Note a)  | 173                  | 173                  |
| Share of post-acquisition loss and other comprehensive expense<br>(include impairment loss), net of dividends received | (170)                | (192)                |
|  | 364                  | 342                  |
| Loans to joint ventures classified as:   |                      |                      |
| Non-current assets (Note b)  | 3,445                | 4,324                |

Notes:

- (a) The deemed capital contribution in a joint venture represents the fair value adjustments in relation to the loan to a joint venture at initial recognition based on the estimated timing on future cash flows.
- (b) The loans to joint ventures are unsecured and have no fixed repayment terms. As at 31 December 2025, except for the loans to joint ventures with aggregate carrying amounts of HK\$110 million (2024: HK\$1,510 million) which are carrying variable rates ranging from 2.6% to 5.5% (2024: 2.8% to 7.7%) per annum, the remaining loans to joint ventures of the Group is interest-free. The Directors of the Company are of the opinion that the Group will not demand repayment of the loans from the joint venture within the next twelve months from the end of the reporting period and the loans are therefore classified as non-current assets.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 18. INVESTMENTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (continued)

Details of the Group's joint ventures as at 31 December 2025 and 2024 are as follows:

| Name of joint ventures                   | Place of incorporation and operation | Class of share held               | Effective ownership interest and voting rights held by the Group | Principal activities                |
|--|--------------------------------------|-----------------------------------|--|-------------------------------------|
| Strongbod Limited (Note a)               | British Virgin Islands               | Ordinary shares of US\$10         | 60% (Note b)   | Investment holding                  |
| Gainwick Limited (Note a)                | Hong Kong                            | Ordinary share of HK\$1           | 60% (Note b)   | Property development and investment |
| H & I GBA Investment Limited (Note c)    | Hong Kong                            | Ordinary shares of US\$90,000,000 | 50%  | Investment holding                  |
| Nation Star Development Limited (Note d) | Hong Kong                            | Ordinary shares of HK\$1          | 25%  | Property development and investment |

Notes:

- Gainwick Limited is a wholly owned subsidiary of Strongbod Limited, together known as "Strongbod".
- Pursuant to the shareholder's agreement dated 5 December 2016, entered into by the Group, the joint venture partner and Strongbod, decisions on all relevant business and operation activities of Strongbod require unanimous board approval from directors of Strongbod appointed by the Group and those appointed by the joint venture partner. Therefore, the Group recognized the investment in Strongbod as a joint venture.
- The subsidiaries of H & I GBA Investment Limited principally engaged in IWG GBA Flex business.
- Nation Star Development Limited ("Nation Star") principally engaged in property development business.

The summarized consolidated financial information in respect of the Group's material joint venture is set out below. The summarized consolidated financial information below represents amounts shown in the joint venture's consolidated financial statements prepared in accordance with HKFRS Accounting Standards. The joint venture is accounted for using the equity method in the Group's consolidated financial statements.

|  | 2025                      |                             | 2024                      |                             |
|--|---------------------------|-----------------------------|---------------------------|-----------------------------|
|  | Strongbod<br>HK\$ million | Nation Star<br>HK\$ million | Strongbod<br>HK\$ million | Nation Star<br>HK\$ million |
| Current assets                                       | 4,424                     | 8,979                       | 5,853                     | 8,100                       |
| Non-current assets                                   | 138                       | 1,866                       | 287                       | 1,735                       |
| Current liabilities                                  | (235)                     | (167)                       | (1,450)                   | (5)                         |
| Non-current liabilities                              | (4,986)                   | (10,712)                    | (5,140)                   | (9,831)                     |
| Turnover   | 1,605                     | –                           | 1,011                     | –                           |
| Losses and total comprehensive expenses for the year | (209)                     | (34)                        | (225)                     | (1)                         |

## 18. INVESTMENTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES (continued)

Reconciliation of the above summarized consolidated financial information to the carrying amount of the interest in the joint venture that is material to the Group recognized in the consolidated financial statements:

|   | 2025                      |                             | 2024                      |                             |
|---|---------------------------|-----------------------------|---------------------------|-----------------------------|
|   | Strongbod<br>HK\$ million | Nation Star<br>HK\$ million | Strongbod<br>HK\$ million | Nation Star<br>HK\$ million |
| Net liabilities of the joint ventures                                 | (659)                     | (34)                        | (450)                     | (1)                         |
| Unrecognized losses of the joint ventures                             | 494                       | 34                          | 285                       | –                           |
| Adjusted net liabilities of the joint ventures                        | (165)                     | –                           | (165)                     | (1)                         |
| Proportion of the Group's ownership interest<br>in the joint ventures | 60%                       | 25%                         | 60%                       | 25%                         |
| Group's share of net liabilities of the joint ventures                | (99)                      | –                           | (99)                      | –                           |
| Add: Deemed capital contribution in<br>the joint ventures             | 173                       | –                           | 173                       | –                           |
|   | 74                        | –                           | 74                        | –                           |
| Impairment loss of a joint venture                                    | (74)                      | –                           | (74)                      | –                           |
| Carrying amount of the Group's interest<br>in the joint ventures      | –                         | –                           | –                         | –                           |
| Unrecognized share of loss of joint ventures<br>for the year          | 125                       | 9                           | 171                       | –                           |
| Cumulative unrecognized share of<br>loss of joint ventures            | 296                       | 9                           | 171                       | –                           |

## 19. OTHER FINANCIAL INVESTMENTS

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| Investment designated as at FVTOCI                   |                      |                      |
| – Investments in unlisted equity securities (Note a) | 1,652                | 1,570                |
| Investment at FVTPL                                  |                      |                      |
| – Unlisted investment in a fund investment (Note b)  | –                    | 87                   |
|  | 1,652                | 1,657                |

Notes:

- These investments are designated as at FVTOCI because the Directors of the Company believe that the Group's strategy of holding these investments is for long-term strategic purpose. All these investees are principally engaged in healthcare services business in Mainland.
- The balance represents the Group's interest in a fund investment as limited partner. The fund investment engages in property investment in Asia Pacific. The fund investment is classified as FVTPL.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 20. DEBT SECURITIES

|                                     | 2025<br>HK\$ million | 2024<br>HK\$ million |
|-------------------------------------|----------------------|----------------------|
| Debt securities, at amortized cost: |                      |                      |
| – listed in Hong Kong               | 502                  | 702                  |
| – listed overseas                   | 77                   | 194                  |
| Total                               | 579                  | 896                  |
| Analysed for reporting purposes as: |                      |                      |
| Current assets                      | 420                  | 318                  |
| Non-current assets                  | 159                  | 578                  |
|                                     | 579                  | 896                  |

As at 31 December 2025, the effective yield of the debt securities ranged from 1.5% to 3.3% (2024: 1.5% to 3.3%) per annum, payable semi-annually or annually, and the securities will mature from January 2026 to January 2052 (2024: from April 2025 to January 2052). At the end of the reporting period, none of these assets were past due.

Details of the impairment assessment of debt securities are set out in the Financial Risk Management section.

### 21. OTHER FINANCIAL ASSETS/LIABILITIES

|                                     | Current              |                      | Non-current          |                      |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                     | 2025<br>HK\$ million | 2024<br>HK\$ million | 2025<br>HK\$ million | 2024<br>HK\$ million |
| <b>Other financial assets</b>       |                      |                      |                      |                      |
| Financial assets measured at FVTPL: |                      |                      |                      |                      |
| Club debenture                      | –                    | –                    | 1                    | 1                    |
| Derivatives under hedge accounting: |                      |                      |                      |                      |
| Cash flow hedges                    |                      |                      |                      |                      |
| – Cross currency swaps              | –                    | –                    | 9                    | 127                  |
| – Interest rate swaps               | –                    | 3                    | –                    | 7                    |
| Total                               | –                    | 3                    | 10                   | 135                  |
| <b>Other financial liabilities</b>  |                      |                      |                      |                      |
| Derivatives under hedge accounting: |                      |                      |                      |                      |
| Cash flow hedges                    |                      |                      |                      |                      |
| – Cross currency swaps              | –                    | –                    | 462                  | 381                  |
| – Interest rate swaps               | 4                    | –                    | 26                   | 1                    |
| Fair value hedges                   |                      |                      |                      |                      |
| – Interest rate swaps               | –                    | –                    | 75                   | 205                  |
| Total                               | 4                    | –                    | 563                  | 587                  |

## 21. OTHER FINANCIAL ASSETS/LIABILITIES (continued)

### (a) Cash flow hedges

#### (i) Foreign currency risk

The Group used cross currency swaps to manage its foreign currency exposure. The principal terms of the cross currency swaps have been negotiated to match the major terms of the respective designated hedged items and the management considers that the hedges are highly effective.

The table below is prepared based on the maturity dates of respective contracts. The major terms of these outstanding cross currency swaps at the end of the reporting period are as follows:

#### Hedging instruments

|   | 2025                   |                  |                         |                              |                         | 2024                   |                  |                         |                              |                         |
|---|------------------------|------------------|-------------------------|------------------------------|-------------------------|------------------------|------------------|-------------------------|------------------------------|-------------------------|
|   | Average exchange rate* | Foreign currency | Notional amount million | Notional amount HK\$ million | Fair value HK\$ million | Average exchange rate* | Foreign currency | Notional amount million | Notional amount HK\$ million | Fair value HK\$ million |
| <b>Cross currency swaps</b>                   |                        |                  |                         |                              |                         |                        |                  |                         |                              |                         |
| <b>Hedging of USD fixed rate notes</b> (Note) |                        |                  |                         |                              |                         |                        |                  |                         |                              |                         |
| Less than 1 year                              | -                      | -                | -                       | -                            | -                       | -                      | -                | -                       | -                            | -                       |
| More than 1 year but not exceeding 5 years    | 7.8020                 | USD              | 2,050                   | 15,994                       | (256)                   | 7.8470                 | USD              | 900                     | 7,063                        | (51)                    |
| More than 5 years                             | 7.8500                 | USD              | 225                     | 1,766                        | (198)                   | 7.8500                 | USD              | 225                     | 1,766                        | (203)                   |
| Total   |                        |                  |                         | 17,760                       | (454)                   |                        |                  |                         | 8,829                        | (254)                   |

\* Average exchange rate represented the average exchange rate of HKD versus respective currencies weighted by the notional amounts of the contracts or the swaps.  
 Note: The Group used HK\$17,760 million (2024: HK\$8,829 million) cross currency swaps to convert USD interest and principal of US\$2,275 million (2024: US\$1,125 million) fixed rate notes into HKD.

#### Hedged items

|                      | Carrying amount of the hedged item |                      |                      |                      | Cash flow hedge reserves |                      |
|----------------------|------------------------------------|----------------------|----------------------|----------------------|--------------------------|----------------------|
|                      | Assets                             |                      | Liabilities          |                      | 2025<br>HK\$ million     | 2024<br>HK\$ million |
|                      | 2025<br>HK\$ million               | 2024<br>HK\$ million | 2025<br>HK\$ million | 2024<br>HK\$ million |                          |                      |
| USD fixed rate notes | -                                  | -                    | 8,756                | 8,740                | (515)                    | (430)                |

The hedging ineffectiveness for the years ended 31 December 2025 and 2024 was insignificant.

|                      | Change in the value of the hedging instrument recognized in other comprehensive expense |                      | Amount reclassified from the cash flow hedge reserve to profit or loss |                      | Line item affected in profit or loss because of the reclassification |
|----------------------|---|----------------------|--|----------------------|--|
|                      | 2025<br>HK\$ million  | 2024<br>HK\$ million | 2025<br>HK\$ million   | 2024<br>HK\$ million |  |
| Cross currency swaps | (70)  | (77)                 | (15)   | 48                   | Finance costs  |

The fair values of cross currency swaps are measured using quoted forward exchange rates and yield curves from quoted interest rates matching maturities of the contracts and swaps.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 21. OTHER FINANCIAL ASSETS/LIABILITIES (continued)

#### (a) Cash flow hedges (continued)

##### (ii) Interest rate risk

The Group used interest rate swaps to hedge its interest rate risk exposure. The terms of the swaps have been negotiated to match the major terms of the respective hedged underlying items so that the management considers that the interest rate swaps are highly effective hedging instruments.

The table below is prepared based on the maturity dates of respective contracts. The major terms of these outstanding interest rate swaps at the end of the reporting period are as follows:

#### Hedging instruments

|   | 2025                   |                              |                         | 2024                   |                              |                         |
|---|------------------------|------------------------------|-------------------------|------------------------|------------------------------|-------------------------|
|   | Average Interest rate* | Notional amount HK\$ million | Fair value HK\$ million | Average Interest rate* | Notional amount HK\$ million | Fair value HK\$ million |
| <b>Interest rate swaps</b>                |                        |                              |                         |                        |                              |                         |
| <b>Hedging interest of HKD bank loans</b> |                        |                              |                         |                        |                              |                         |
| (Note)                                    |                        |                              |                         |                        |                              |                         |
| Less than 1 year                          | 3.88%                  | 400                          | (4)                     | 3.45%                  | 1,000                        | 3                       |
| More than 1 year not exceeding 5 years    | 2.84%                  | 2,150                        | (25)                    | 3.39%                  | 900                          | 6                       |

\* Average interest rate represented the average fixed interest rate paid by the Group against receipts of 3-month HIBOR weighted by the notional amounts of the swaps.  
Note:

The Group used HK\$2,550 million (2024: HK\$1,900 million) interest rate swaps to manage its exposure to interest rate changes of the interest payments of HKD bank loans.

#### Hedged items

|                | Carrying amount of the hedged item Liabilities |                      | Cash flow hedge reserves |                      |
|----------------|--|----------------------|--------------------------|----------------------|
|                | Liabilities                                    |                      |                          |                      |
|                | 2025<br>HK\$ million                           | 2024<br>HK\$ million | 2025<br>HK\$ million     | 2024<br>HK\$ million |
| HKD bank loans | 2,550  | 1,900                | (34)                     | 4                    |

The hedging ineffectiveness for the years ended 31 December 2025 and 2024 was insignificant.

|                     | Change in the value of the hedging instrument recognized in other comprehensive (expense) income |                      | Amount reclassified from the cash flow hedge reserve to profit or loss |                      | Line item affected in profit or loss because of the reclassification |
|---------------------|--|----------------------|--|----------------------|--|
|                     |  |                      |  |                      |  |
|                     | 2025<br>HK\$ million   | 2024<br>HK\$ million | 2025<br>HK\$ million   | 2024<br>HK\$ million |  |
| Interest rate swaps | (38)   | 4                    | –  | –                    | Finance costs  |

The fair values of interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

## 21. OTHER FINANCIAL ASSETS/LIABILITIES (continued)

### (b) Fair value hedges

The Group used interest rate swaps to minimise its exposure to fair value changes of its USD fixed rate notes by swapping the notes from fixed rates to floating rates. The major terms of the interest rate swaps match the corresponding notes and the management considers that the swaps are highly effective hedging instruments.

The table below is prepared based on the maturity dates of respective contracts. The major terms of these outstanding interest rate swaps at the end of the reporting period are as follows:

|                                | 2025                   |                              |                         | 2024                   |                              |                         |
|--------------------------------|------------------------|------------------------------|-------------------------|------------------------|------------------------------|-------------------------|
|                                | Average interest rate* | Notional amount HK\$ million | Fair value HK\$ million | Average Interest rate* | Notional amount HK\$ million | Fair value HK\$ million |
| <b>Interest rate swaps</b>     |                        |                              |                         |                        |                              |                         |
| More than 1 year not exceeding |                        |                              |                         |                        |                              |                         |
| 5 years                        | <b>2.88%</b>           | <b>3,140</b>                 | <b>(75)</b>             | 2.88%                  | 3,140                        | (205)                   |

\* The average interest rate represented the average fixed interest rate (weighted by the notional amounts of the interest rate swaps) received by the Group against payments of 3-month HIBOR.

Note:

As at 31 December 2025, the Group designated fixed-to-floating interest rate swaps with notional amount of HK\$3,140 million (2024: HK\$3,140 million) to hedge USD fixed rate notes with notional amount of US\$400 million (2024: US\$400 million) by converting fixed rate of 2.88% per annum (2024: 2.88% per annum) to HIBOR plus 2.02% per annum (2024: HIBOR plus 2.02% per annum).

As a result of the hedge accounting, the carrying amount of the hedged item as at 31 December 2025 was adjusted by cumulative losses of HK\$75 million (2024: HK\$205 million). The changes in fair values of the notes for the hedged risk were included in profit or loss at the same time that the changes in fair value of the swaps were included in profit or loss.

The fair values of interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

### (c) Financial assets measured at FVTPL

#### Club debenture

Amount represented investment in unlisted club debenture. The Group's investment in unlisted club debenture has been classified as financial assets measured at FVTPL.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 22. ACCOUNTS AND OTHER RECEIVABLES

|   | 2025<br>HK\$ million | 2024<br>HK\$ million |
|---|----------------------|----------------------|
| Accounts receivable                             | 40                   | 51                   |
| Interest receivable                             | 44                   | 43                   |
| Prepayments in respect of investment properties | 606                  | 943                  |
| Other receivables and prepayments               | 596                  | 653                  |
| <b>Total</b>                                    | <b>1,286</b>         | 1,690                |
| Analysed for reporting purposes as:             |                      |                      |
| Current assets                                  | 341                  | 375                  |
| Non-current assets                              | 945                  | 1,315                |
|   | <b>1,286</b>         | 1,690                |

The following is an ageing analysis of accounts receivable at the end of the reporting period. Accounts receivable mainly includes rents from leasing of investment properties, which are normally received in advance.

|                   | 2025<br>HK\$ million | 2024<br>HK\$ million |
|-------------------|----------------------|----------------------|
| Less than 30 days | 15                   | 23                   |
| 31–90 days        | 13                   | 14                   |
| Over 90 days      | 12                   | 14                   |
|                   | <b>40</b>            | 51                   |

### 23. TIME DEPOSITS/CASH AND CASH EQUIVALENTS

Time deposits, cash and bank balances include bank deposits for the purpose of meeting the Group's short term cash commitments, carrying effective interest rates ranging from 0.01% to 4.00% (2024: 0.01% to 4.91%) per annum.

As at 31 December 2025 and 2024, the Group performed impairment assessment on time deposits and bank balances and concluded that the probability of default of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided.

### 24. ACCOUNTS PAYABLE AND ACCRUALS

|                  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|------------------|----------------------|----------------------|
| Accounts payable | 650                  | 534                  |
| Interest payable | 77                   | 146                  |
| Other payables   | 974                  | 748                  |
|                  | <b>1,701</b>         | 1,428                |

At the end of the reporting period, accounts payable of the Group with carrying amount of HK\$179 million (2024: HK\$208 million) were aged less than 90 days based on invoice date.

## 25. AMOUNTS DUE TO NON-CONTROLLING INTERESTS

|                      | 2025<br>HK\$ million | 2024<br>HK\$ million |
|----------------------|----------------------|----------------------|
| Current (Note a)     | 182                  | 189                  |
| Non-current (Note b) | 5,907                | 5,686                |
|                      | <b>6,089</b>         | 5,875                |

Notes:

(a) The balances are unsecured, interest-free and repayable on demand.

(b) The balance is unsecured, interest-free and for the development of a commercial site at Caroline Hill Road, Causeway Bay, Hong Kong. During the year ended 31 December 2025, amounts due to non-controlling interests amounting to HK\$3 million (2024: HK\$230 million) were advanced.

## 26. BORROWINGS

|   | 2025<br>HK\$ million | 2024<br>HK\$ million |
|---|----------------------|----------------------|
| Secured bank loans  | 10,197               | 8,772                |
| Unsecured bank loans  | 4,297                | 2,415                |
| Unsecured fixed rate notes  | 14,030               | 15,327               |
|   | <b>28,524</b>        | 26,514               |
| Less: Amount due within 1 year included under current liabilities | <b>(1,903)</b>       | (2,872)              |
|   | <b>26,621</b>        | 23,642               |

The carrying amounts of the above bank loans and fixed rate notes are repayable as follows:

|                                 | Bank loans           |                      | Fixed rate notes     |                      |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                 | 2025<br>HK\$ million | 2024<br>HK\$ million | 2025<br>HK\$ million | 2024<br>HK\$ million |
| Within one year                 | 200                  | 1,373                | 1,703                | 1,499                |
| In the second year              | 10,197               | 545                  | 3,755                | 1,646                |
| In the third year to fifth year | 4,097                | 9,269                | 4,751                | 8,366                |
| After the fifth year            | –                    | –                    | 3,821                | 3,816                |
|                                 | <b>14,494</b>        | 11,187               | <b>14,030</b>        | 15,327               |

All the bank loans are guaranteed as to principal and interest and are carrying variable-rate. Interest rates of the loans are normally re-fixed at every one to three months. The effective interest rates (which were also equal to contracted interest rates) were 3.7% (2024: 4.3%) per annum at the end of the reporting period.

The unsecured fixed rate notes were issued by Hysan (MTN) Limited, a wholly owned subsidiary of the Company, are guaranteed as to principal and interest by the Company and bear an effective interest rate equal to their respective contracted interest rate. The contract rates per annum (before cross-currency swaps) at the end of the reporting period were as follows:

|                            | 2025             |                  |                  | 2024      |           |           |
|----------------------------|------------------|------------------|------------------|-----------|-----------|-----------|
|                            | HK\$<br>%        | US\$<br>%        | RMB<br>%         | HK\$<br>% | US\$<br>% | RMB<br>%  |
| Unsecured fixed rate notes | <b>1.50–4.50</b> | <b>2.82–3.55</b> | <b>3.10–3.55</b> | 1.50–4.50 | 2.82–3.55 | 3.10–3.55 |

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 26. BORROWINGS (continued)

As detailed in note 21 of the Notes to the Consolidated Financial Statements section, during the years ended 31 December 2025 and 2024, cross currency swaps and interest rate swaps were used to hedge or manage the foreign exchange rate risks of the Group's USD fixed rate notes and interest rate risks of the Group's HKD bank loans respectively.

In 2025, Elect Global, a wholly owned subsidiary of the Company, issued a fixed-rate note with a principal amount of US\$17 million (equivalent to approximately HK\$132 million) matured in September 2030 bearing 6.75% per annum contract rate.

As at 31 December 2025 and 2024, the Group's investment properties pledged as securities for borrowings are disclosed in note 14 of the Notes to the Consolidated Financial Statements section.

### 27. DEFERRED TAX ASSETS/LIABILITIES

The following are the major deferred tax liabilities (assets) recognized by the Group and movements thereon during the current and prior years:

|  | Accelerated tax<br>depreciation<br>HK\$ million | Revaluation of<br>properties<br>HK\$ million | Tax losses<br>HK\$ million | Total<br>HK\$ million |
|--|---|--|----------------------------|-----------------------|
| As at 1 January 2024                       | 1,284   | 86   | (195)                      | 1,175                 |
| Charge (credit) to profit or loss (note 7) | 46  | (1)  | (4)                        | 41                    |
| Charge to other comprehensive income       | –   | 1  | –                          | 1                     |
| As at 31 December 2024                     | 1,330   | 86   | (199)                      | 1,217                 |
| Charge (credit) to profit or loss (note 7) | <b>73</b>                                       | <b>(2)</b>                                   | –                          | <b>71</b>             |
| Credit to other comprehensive income       | –   | <b>(2)</b>                                   | –                          | <b>(2)</b>            |
| As at 31 December 2025                     | <b>1,403</b>                                    | <b>82</b>                                    | <b>(199)</b>               | <b>1,286</b>          |

At the end of the reporting period, the Group has unused estimated tax losses of HK\$4,575 million (2024: HK\$3,840 million) available for offset against future profits. A deferred tax asset has been recognized in respect of HK\$1,212 million (2024: HK\$1,212 million) of such losses. No deferred tax asset has been recognized in respect of the remaining HK\$3,363 million (2024: HK\$2,628 million) due to the unpredictability of future profit streams and the tax losses may be carried forward indefinitely.

### 28. PERPETUAL CAPITAL SECURITIES

In 2020, the Group through a wholly owned subsidiary of the Company (the "Issuer") issued US\$850 million (equivalent to approximately HK\$6,604 million) 4.10% subordinated guaranteed perpetual capital securities (the "2020 Subordinated Securities"), which are unconditionally and irrevocably guaranteed by the Company. Further, the Issuer issued US\$500 million (equivalent to approximately HK\$3,875 million) 4.85% senior perpetual capital securities (the "Senior Securities"), which are unconditionally and irrevocably guaranteed by the Company. The proceeds of the capital securities are for general corporate purpose and the capital securities are listed on Hong Kong Stock Exchange.

In 2025, the Group through the Issuer issued US\$750 million (equivalent to approximately HK\$5,800 million) 7.20% subordinated guaranteed perpetual capital securities (the "2025 Subordinated Securities"), which are unconditionally and irrevocably guaranteed by the Company. The proceeds of the capital securities are for general corporate purposes and refinancing of existing indebtedness. The capital securities are listed on Hong Kong Stock Exchange.

## 28. PERPETUAL CAPITAL SECURITIES (continued)

Distribution on the 2020 Subordinated Securities, Senior Securities and 2025 Subordinated Securities (collectively the “Securities”) are payable semi-annually in-arrear each year and can be deferred at the sole discretion of the Issuer, if the Issuer and the Company do not declare or pay dividends or repurchase, redeem, cancel, reduce or otherwise acquire any securities of lower or equal rank. The Securities have no fixed maturity and are redeemable at the Issuer’s option on or after 3 June 2025, 25 August 2023 and 11 September 2030 respectively, at their principal amounts together with any distribution accrued to such date.

The Securities are classified as equity and initially recognised at the proceeds received in the condensed consolidated financial statements of the Group.

As at 31 December 2025, included in perpetual capital securities, the distribution accrued is amounted to HK\$187 million (2024: HK\$138 million).

During the year ended 31 December 2025, the Group repurchased perpetual capital securities with principal amount of HK\$5,868 million (2024: HK\$777 million) with cash consideration of HK\$5,865 million (2024: HK\$728 million).

## 29. SHARE CAPITAL

|   | Number of shares | Share capital<br>HK\$ million |
|---|------------------|-------------------------------|
| Ordinary shares, issued and fully paid:         |                  |                               |
| As at 1 January 2024, 31 December 2024 and 2025 | 1,027,008,223    | 7,723                         |

During the year ended 31 December 2025, 156,000 Shares were purchased by BOCI Trustee (Hong Kong) Limited (the “2024 Scheme Trustee”) on the Stock Exchange for the purpose of the 2024 Share Award Scheme. As at 31 December 2025, 126 unvested Shares were held by the 2024 Scheme Trustee. Details of the shares purchased are as follows:

| Month of repurchase in 2025 | Number of<br>ordinary shares<br>repurchased<br>(Note) | Consideration per share |                | Aggregate<br>consideration<br>paid<br>HK\$ million |
|-----------------------------|---|-------------------------|----------------|--|
|                             |   | Highest<br>HK\$         | Lowest<br>HK\$ |  |
| March                       | 156,000   | 12.80                   | 12.68          | 2  |

Note:

The Company was authorized at its annual general meetings to repurchase its own ordinary shares not exceeding 10% of the total number of its issued shares as at the dates of the resolutions being passed.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 30. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

|                               | 2025<br>HK\$ million | 2024<br>HK\$ million |
|-------------------------------|----------------------|----------------------|
| <b>Non-current assets</b>     |                      |                      |
| Investments in subsidiaries   | 2,242                | 2,242                |
| Other financial assets        | 1                    | 1                    |
| Amounts due from subsidiaries | 7,494                | 7,649                |
|                               | <b>9,737</b>         | 9,892                |
| <b>Current assets</b>         |                      |                      |
| Other receivables             | 33                   | 35                   |
| Amounts due from subsidiaries | 4,709                | 4,378                |
| Cash and cash equivalents     | 38                   | 18                   |
|                               | <b>4,780</b>         | 4,431                |
| <b>Current liabilities</b>    |                      |                      |
| Other payables and accruals   | 92                   | 95                   |
| Amounts due to subsidiaries   | 3,096                | 3,022                |
|                               | <b>3,188</b>         | 3,117                |
| <b>Net current assets</b>     | <b>1,592</b>         | 1,314                |
| <b>Net assets</b>             | <b>11,329</b>        | 11,206               |
| <b>Capital and reserves</b>   |                      |                      |
| Share capital (note 29)       | 7,723                | 7,723                |
| Reserves                      | 3,606                | 3,483                |
| <b>Total equity</b>           | <b>11,329</b>        | 11,206               |

The Company's statement of financial position was approved and authorized for issue by the Board of Directors on 26 February 2026 and are signed on its behalf by:

**Lee Irene Y.L.**  
Director

**Lui Kon Wai**  
Director

### 30. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

#### Movement in the Company's reserve

|  | Share options<br>reserve<br>HK\$ million | General reserve<br>HK\$ million<br>(Note) | Retained profits<br>HK\$ million | Total<br>HK\$ million |
|--|--|---|----------------------------------|-----------------------|
| As at 1 January 2024                               | 39                                       | 100                                       | 3,169                            | 3,308                 |
| Recognition of equity-settled share-based payments | 5  | –   | –                                | 5                     |
| Forfeiture of share options                        | (4)                                      | –   | 4                                | –                     |
| Profit and total comprehensive income for the year | –  | –   | 1,279                            | 1,279                 |
| Dividends paid during the year (note 12)           | –  | –   | (1,109)                          | (1,109)               |
| As at 31 December 2024                             | 40                                       | 100                                       | 3,343                            | 3,483                 |
| Recognition of equity-settled share-based payments | <b>4</b>                                 | –   | –                                | <b>4</b>              |
| Vesting of equity-settled share-based payments     | <b>(2)</b>                               | –   | <b>2</b>                         | –                     |
| Repurchase of own shares                           | –  | –   | <b>(2)</b>                       | <b>(2)</b>            |
| Profit and total comprehensive income for the year | –  | –   | <b>1,230</b>                     | <b>1,230</b>          |
| Dividends paid during the year (note 12)           | –  | –   | <b>(1,109)</b>                   | <b>(1,109)</b>        |
| <b>As at 31 December 2025</b>                      | <b>42</b>                                | <b>100</b>                                | <b>3,464</b>                     | <b>3,606</b>          |

Note: General reserve was set up from the transfer of retained profits.

The Company's reserves available for distribution to its owners as at 31 December 2025 amounted to HK\$3,564 million (2024: HK\$3,443 million), being its general reserve and retained profits at that date.

### 31. RECONCILIATION OF ASSETS/LIABILITIES RELATING TO FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

|   | Amounts due to<br>non-controlling<br>interests<br>HK\$ million | Borrowings and other<br>interest-bearing<br>liabilities<br>HK\$ million | Total<br>HK\$ million |
|---|--|---|-----------------------|
| As at 1 January 2024                        | 5,463  | 26,023  | 31,486                |
| Cash flows, net                             | 220  | 61  | 281                   |
| Other non-cash changes                      |  |   |                       |
| Foreign exchange adjustments                | –  | (90)  | (90)                  |
| Finance costs                               | –  | 450   | 450                   |
| Interest capitalised                        | 192  | 593   | 785                   |
| Net losses arising from hedging instruments | –  | 73  | 73                    |
| As at 31 December 2024                      | 5,875  | 27,110  | 32,985                |
| Cash flows, net                             | <b>(7)</b>   | <b>979</b>  | <b>972</b>            |
| Other non-cash changes                      |  |   |                       |
| Foreign exchange adjustments                | –  | <b>(61)</b>   | <b>(61)</b>           |
| Finance costs                               | –  | <b>549</b>  | <b>549</b>            |
| Interest capitalised                        | <b>221</b>   | <b>474</b>  | <b>695</b>            |
| Net losses arising from hedging instruments | –  | <b>108</b>  | <b>108</b>            |
| <b>As at 31 December 2025</b>               | <b>6,089</b>   | <b>29,159</b>   | <b>35,248</b>         |

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 32. RETIREMENT BENEFITS PLANS

With effect from 1 December 2000, the Group set up an Enhanced Mandatory Provident Fund Scheme (the "Enhanced MPF Scheme"), a defined contribution scheme, for all qualifying employees. The Enhanced MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under Section 124(1) of the Mandatory Provident Fund Schemes (General) Regulation.

Pursuant to the rules of the Enhanced MPF Scheme, the Group's contributions to the plan are based on fixed percentages of members' salaries, ranging from 5% of MPF relevant income to 15% of basic salary. Members' mandatory contributions are fixed at 5% of MPF relevant income, subject to a monthly cap of HK\$1,500, in compliance with MPF legislation.

The employees of the Group in the Mainland are members of a state-managed retirement benefits scheme operated by the Mainland government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

Total contributions made by the Group during the year amounted to HK\$10 million (2024: HK\$10 million).

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay Long Service Payment ("LSP") to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on certain formula.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilize the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year. Under the Amendment Ordinance, the accrued benefits derived from the Group's Enhanced MPF Scheme, minus the mandatory contributions, made pre-, on or post-transition can continue to be used to offset pre- and post-transition LSP. The impact from the Amendment Ordinance on the Group's LSP liability is considered insignificant.

### 33. COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments in respect of its investment properties, property, plant and equipment and subscription to a fund investment as limited partner:

|   | 2025<br>HK\$ million | 2024<br>HK\$ million |
|---|----------------------|----------------------|
| Capital commitment:   |                      |                      |
| Contracted but not provided for investment properties and property, plant and equipment | 2,933                | 3,974                |

### 34. LEASE COMMITMENTS

At the end of the reporting period, the Group as lessor had contracted with tenants for the following undiscounted lease payments receivable over the non-cancellable periods:

|                    | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--------------------|----------------------|----------------------|
| Within one year    | 2,383                | 2,278                |
| In the second year | 1,756                | 1,628                |
| In the third year  | 1,150                | 1,118                |
| In the fourth year | 461                  | 769                  |
| In the fifth year  | 265                  | 360                  |
| Over five years    | 432                  | 535                  |
|                    | <b>6,447</b>         | 6,688                |

Operating lease payments represent rentals receivable by the Group from leasing of its investment properties. Typically, leases are negotiated and rentals are fixed for lease term of one to three years. Certain leases include rentals received with reference to turnover of tenants.

### 35. RELATED PARTY TRANSACTIONS AND BALANCES

#### (a) Transactions and balances with related parties

During the year, the Group has transaction with related party including interest income on loans to joint ventures, imputed interest income on interest-free loan to a joint venture and imputed interest expense on interest-free amounts due to non-controlling interests as disclosed under notes 6, 8, 18 and 25 of the Notes to the Consolidated Financial Statements section. The imputed interest expense arising from the amounts due to non-controlling interests during the year has been fully capitalised into investment properties under development. The interest income on loans to joint ventures during the year is amounted to HK\$31 million (2024: HK\$39 million).

At the end of the reporting period, the Group has several balances with related parties including loans to associates and loans to joint ventures as disclosed under note 17 and note 18 of the Notes to the Consolidated Financial Statements section.

The Group has granted guarantees to banks for facilities granted to a joint venture as disclosed under note 1(b) of the Financial Risk Management.

The Group has entered into the facility agreement with HSBC Bank (China) Company Limited, Shanghai Branch ("HSBC (China)") on 22 November 2023, a fellow subsidiary of Imenson Limited ("Imenson"), pursuant to which HSBC (China) agreed to grant a facility to Hysan (Shanghai) Properties Limited ("Hysan (SH)"), an indirect wholly-owned subsidiary of the Company amounting to RMB200 million with a term of two years from first drawdown and final maturity no later than 31 December 2025. The balance of utilized amount at 31 December 2024 was RMB117 million.

During the year, the Group has entered into the sale and purchase agreement to sell certain investment properties to its related parties at consideration in aggregate to HK\$187 million. Details of the transactions have been disclosed on 3 October 2025 and 24 October 2025 announcement and circular.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 35. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

#### (a) Transactions and balances with related parties (continued)

|   | Gross rental income received from<br>Year ended 31 December |                      | Amounts due to non-controlling interests<br>At 31 December |                      |
|---|---|----------------------|--|----------------------|
|   | 2025<br>HK\$ million  | 2024<br>HK\$ million | 2025<br>HK\$ million                                       | 2024<br>HK\$ million |
| Related companies controlled by the Directors of the Company (Note a) | –   | 18                   | –  | –                    |
| Non-controlling shareholders of subsidiaries (Note b (i) & (ii))      | 78  | 63                   | 6,089  | 5,875                |
| Joint venture and associate (Note c)                                  | 100   | 94                   | –  | –                    |

Notes:

- (a) The sum of transactions represents the aggregate gross rental income received from related companies where the Directors of the Company have controlling interests over these related companies.  
On 16 May 2023, Jebsen Hans Michael retired from his director role of the Company and remained as a connected person of Hysan at issuer level for 12 months thereafter.
- (b) (i) The sum of transactions represents the aggregate gross rental income received from Hang Seng Bank Limited ("Hang Seng"), the intermediate holding company of Imenson, and The Hongkong and Shanghai Banking Corporation Limited, the holding company of Hang Seng. Imenson is a non-controlling shareholder with significant influence over Barrowgate.  
From 17 May 2024 onwards, the sum of transactions includes the aggregate gross rental income received from Jebsen and Company Limited, the holding company of Jebsen Capital Limited. Jebsen Capital Limited is a non-controlling shareholder with significant influence over Barrowgate.
- (ii) The balance represents outstanding loans advanced to Barrowgate by Imenson and Patchway by Coastday, as shareholder loans in proportion to its shareholding in Barrowgate and Patchway respectively. The amounts advanced to Barrowgate are unsecured, interest-free and repayable on demand. The amount advanced to Patchway is unsecured, interest-free and for the development of a commercial site at Caroline Hill Road, Causeway Bay, Hong Kong.
- (c) Rental income is charged in accordance with respective tenancy agreements.

#### (b) Compensation of key management personnel

The remuneration of Directors and other members of senior management of the Group are as follows:

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| Directors' fees, salaries and other short-term employee benefits | 44                   | 47                   |
| Share-based payments   | 3                    | 3                    |
| Retirement benefits scheme contributions                         | –                    | –                    |
|  | 47                   | 50                   |

The remuneration of the Directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

## 36. SHARE-BASED PAYMENT TRANSACTIONS

### (a) Equity-settled share option and share award schemes

#### The 2005 Share Option Scheme

The Company adopted the 2005 Share Option Scheme at its AGM held on 10 May 2005, which has a term of 10 years and expired on 9 May 2015. All outstanding options granted under the 2005 Share Option Scheme continued to be valid and exercisable in accordance with the provisions of the 2005 Share Option Scheme, and were subsequently lapsed during the year. No further option will be granted under the 2005 Share Option Scheme.

The purpose of the 2005 Share Option Scheme is to provide an incentive for employees of the Company and its wholly-owned subsidiaries to work with commitment towards enhancing the value of the Company and its shares for the benefit of its shareholders.

Under the 2005 Share Option Scheme, options to subscribe for ordinary shares of the Company may be granted to employees of the Company or any wholly-owned subsidiaries (including Executive Director) and such other persons as the Board may consider appropriate from time to time, on the basis of their contribution to the development and growth of the Company and its subsidiaries.

The maximum number of shares in respect of which options may be granted under the 2005 Share Option Scheme and any other share option scheme of the Company shall not exceed such number of shares as required under the Listing Rules, currently being 10% of the shares in issue as at 10 May 2005, the date of the AGM approving the 2005 Share Option Scheme (being 104,996,365 shares).

The maximum entitlement of each participant under the 2005 Share Option Scheme must not during any 12-month period exceed such number of shares as required under the Listing Rules (which is 1% of the total shares in issue as at the date of shareholder approval, being 10,499,636 shares). The exercise price shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; and (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. Consideration on each grant of option is HK\$1 and is required to be paid within 30 days from the date of grant of options, with full payment for exercise price to be made on exercise of the relevant options.

The 2005 Share Option Scheme expired on 9 May 2015 and no further option will be granted under the 2005 Share Option Scheme.

#### The 2015 Share Option Scheme

The Company adopted the 2015 Share Option Scheme (together with the 2005 Share Option Scheme are referred to as the "Share Option Schemes") at its AGM held on 15 May 2015, which has a term of 10 years and expired on 14 May 2025. Terms of the 2015 Share Option Scheme are substantially the same as those under the 2005 Share Option Scheme. All outstanding options granted will continue to be valid and exercisable in accordance with the provisions of the 2015 Share Option Scheme. No further option will be granted under the 2015 Share Option Scheme.

The purpose of the 2015 Share Option Scheme is to provide an incentive for employees of the Company and its subsidiaries to work with commitment towards enhancing the value of the Company and its shares for the benefit of its shareholders.

Under the 2015 Share Option Scheme, options to subscribe for ordinary shares of the Company may be granted to employees of the Company or any subsidiaries (including Executive Director) and such other persons as the Board may consider appropriate from time to time, on the basis of their contribution to the development and growth of the Company and its subsidiaries.

# Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

## 36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

### (a) Equity-settled share option and share award schemes (continued)

#### The 2015 Share Option Scheme (continued)

The maximum number of shares in respect of which options may be granted under the 2015 Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed such number of shares as required under the Listing Rules, currently being 10% of the shares in issue as at 15 May 2015, the date of the AGM approving the 2015 Share Option Scheme (being 106,389,669 shares). Under the Listing Rules, a listed issuer may seek approval by its shareholders in general meeting for “refreshing” the 10% limit under the scheme. The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2015 Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time (or such number of shares as required under the Listing Rules). No options may be granted if such grant will result in this 30% limit being exceeded.

The maximum entitlement of each participant under the 2015 Share Option Scheme must not during any 12-month period exceed such number of shares as required under the Listing Rules (which is 1% of the total shares in issue as at the date of shareholder approval, being 10,638,966 shares). The exercise price shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant; and (ii) the average of the closing prices of the shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant. Consideration on each grant of option is HK\$1 and is required to be paid within 30 days from the date of grant of options, with full payment for exercise price to be made on exercise of the relevant options.

#### Grant and vesting structures

Under the Company’s current policy, grants will be made on a periodic basis. For the Share Option Schemes, the exercise period is ten years and vesting period is three years in equal proportions starting from the first anniversary and become fully vested on the third anniversary of the grant. Size of grant will be determined by reference to base salary multiple and relevant individual performance metrics. A clear performance criterion will be a key driver. The Board will review the grant and vesting structures from time to time.

#### The 2024 Share Award Scheme

The Company had on 19 January 2024 (the “Adoption Date”) adopted the 2024 Share Award Scheme. With a term of 10 years from the Adoption Date, the 2024 Share Award Scheme shall remain in force until 18 January 2034, subject to any early termination as may be determined by the Board pursuant to the scheme rules. The purposes of the 2024 Share Award Scheme are (i) to attract and retain critical talents and drive long-term commitment; (ii) to drive performance and culture of excellence; and (iii) to instill culture of accountability, engagement and sense of ownership to the Group.

The Board has delegated the administration of the 2024 Share Award Scheme to the Remuneration Committee, which consists solely of INEDs. This delegation ensures proper governance when reviewing and deciding on proposed grants of the share awards, guaranteeing that the administrator of the 2024 Share Award Scheme shall not be a participant in the scheme, aligning the objectives of the 2024 Share Award Scheme with Shareholders’ interests.

Pursuant to the 2024 Share Award Scheme, the Remuneration Committee, as authorised by the Board, may, from time to time, exercise its absolute discretion in selecting any employee (for this purpose only, including without limitation, any Director) of any member of the Group (other than any Excluded Employee (as defined in the Company’s announcement dated 19 January 2024)) for participation (the “Selected Employee”), and grant such number of Shares to any Selected Employee at no consideration and subject to such terms and conditions as it may in its absolute discretion determine. The administrators of the 2024 Share Award Scheme are not participants in the 2024 Share Award Scheme.

The maximum number of Shares that may be awarded under the 2024 Share Award Scheme (the “Awarded Shares”) during its term is limited to 20,540,164 Shares, representing approximately 2% of the issued share capital of the Company as at the Adoption Date.

## 36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

### (a) Equity-settled share option and share award schemes (continued)

#### The 2024 Share Award Scheme (continued)

The maximum number of Awarded Shares that may be granted under the 2024 Share Award Scheme to any Selected Employee shall not exceed 0.5% of the issued share capital of the Company from time to time (being 5,135,041 Shares as at the date of this report).

Shares under the 2024 Share Award Scheme will be purchased on the Stock Exchange at the prevailing market price by the 2024 Scheme Trustee at the cost of the Company and the Awarded Shares will be held by the 2024 Scheme Trustee on trust for the relevant Selected Employee(s) under the 2024 Share Award Scheme until vesting.

During the year, 156,000 Shares were purchased by the 2024 Scheme Trustee on the Stock Exchange for the purpose of the 2024 Share Award Scheme. As at 31 December 2025, 126 unvested Shares were held by the 2024 Scheme Trustee.

As delegated by the Board, the Remuneration Committee has the authority to determine the granting and the vesting period of the Awarded Shares under the 2024 Share Award Scheme.

Awarded Shares comprises of: (i) performance shares ("Performance Shares") and (ii) restricted shares ("Restricted Shares"). Generally, a higher proportion of Performance Shares was granted to senior management to place greater emphasis on linking long-term incentive with Hysan's long-term strategy and value creation for shareholders. The proportion of Restricted Shares aims to attract and retain critical talent, especially at the junior and middle levels. The vesting period and structure are carefully designed to promote these objectives:

- (i) Performance Shares will vest on the third anniversary of the date of grant subject to the achievement of company performance target. This target is measured by relative Total Shareholder Return ("TSR"), which takes into consideration share price performance and dividend, over a three-year performance period. Hysan's TSR is compared against a group of pre-determined peer companies to determine the percentile rank, which in turn establishes a direct linkage between the vesting percentage and shareholder value creation. The target performance level for TSR is the 50th percentile of peer companies' performance, while the maximum performance level is the 80th percentile or above of peer companies' performance, at which 150% of the target number of Performance Shares will vest.
- (ii) Restricted Shares have a vesting period of three years in equal proportions, starting from the first anniversary of the grant and becoming fully vested on the third anniversary. This enhances attraction, motivation and retention of talents through time-vesting.

The 2024 Share Award Scheme incorporates clawback mechanisms to recover, cancel forfeit or withhold any Awarded Shares for both good and bad leaver scenarios.

In determining the number of Awarded Shares granted to Selected Employee, the following key factors are considered: (i) individual performance rating, potential and expected long-term contribution to the Group, (ii) the financial condition and performance of the Group (such as turnover, expense ratio, EPS, portfolio year-end occupancy, achievement of key strategic initiatives, etc.), as well as (iii) the alignment with the Group's long-term strategy, corporate culture and core values in the achievement of the pre-determined long-term objectives and development plan.

During 2025, a total of 49,255 Awarded Shares had been granted to Selected Employees at nil consideration under the 2024 Share Award Scheme. Since the Adoption Date and up to 31 December 2024 (the "Relevant Period"), a total of 1,416,905 Awarded Shares had been granted to Selected Employees at nil consideration under the 2024 Share Award Scheme.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

#### (b) Movement of share options and share award schemes

The following table discloses movements of the Company's share options held by the Director and eligible employees during the current year:

| Name                                      | Date of grant | Exercise price HK\$ | Exercise period (Note a) | Balance          | Changes during the year |           |                            | Balance          |
|---|---------------|---------------------|--------------------------|------------------|-------------------------|-----------|----------------------------|------------------|
|   |               |                     |                          | as at 1.1.2025   | Granted                 | Exercised | Cancelled/ lapsed (Note b) | as at 31.12.2025 |
| <b>2005 Share Option Scheme</b>           |               |                     |                          |                  |                         |           |                            |                  |
| <b>Executive Director</b>                 |               |                     |                          |                  |                         |           |                            |                  |
| Lee Irene Yun-Lien                        | 12.3.2015     | 36.27               | 12.3.2016–11.3.2025      | <b>300,000</b>   | –                       | –         | <b>(300,000)</b>           | –                |
| <b>Other Employee Participants</b>        |               |                     |                          |                  |                         |           |                            |                  |
|   | 31.3.2015     | 34.00               | 31.3.2016–30.3.2025      | <b>5,000</b>     | –                       | –         | <b>(5,000)</b>             | –                |
|   |               |                     |                          | <b>305,000</b>   | –                       | –         | <b>(305,000)</b>           | –                |
| <b>2015 Share Option Scheme</b>           |               |                     |                          |                  |                         |           |                            |                  |
| <b>Executive Directors</b>                |               |                     |                          |                  |                         |           |                            |                  |
| Lee Irene Yun-Lien                        | 9.3.2016      | 33.15               | 9.3.2017–8.3.2026        | <b>375,000</b>   | –                       | –         | –                          | <b>375,000</b>   |
|   | 23.2.2017     | 36.25               | 23.2.2018–22.2.2027      | <b>300,000</b>   | –                       | –         | –                          | <b>300,000</b>   |
|   | 1.3.2018      | 44.60               | 1.3.2019–29.2.2028       | <b>373,200</b>   | –                       | –         | –                          | <b>373,200</b>   |
|   | 22.2.2019     | 42.40               | 22.2.2020–21.2.2029      | <b>494,200</b>   | –                       | –         | –                          | <b>494,200</b>   |
|   | 21.2.2020     | 29.73               | 21.2.2021–20.2.2030      | <b>650,000</b>   | –                       | –         | –                          | <b>650,000</b>   |
|   | 26.2.2021     | 33.05               | 26.2.2022–25.2.2031      | <b>664,000</b>   | –                       | –         | –                          | <b>664,000</b>   |
|   | 28.2.2022     | 23.25               | 28.2.2023–27.2.2032      | <b>819,000</b>   | –                       | –         | –                          | <b>819,000</b>   |
| Lui Kon Wai                               | 29.3.2018     | 41.50               | 29.3.2019–28.3.2028      | <b>179,000</b>   | –                       | –         | –                          | <b>179,000</b>   |
|   | 29.3.2019     | 42.05               | 29.3.2020–28.3.2029      | <b>203,000</b>   | –                       | –         | –                          | <b>203,000</b>   |
|   | 31.3.2020     | 25.20               | 31.3.2021–30.3.2030      | <b>262,000</b>   | –                       | –         | –                          | <b>262,000</b>   |
|   | 31.3.2021     | 30.40               | 31.3.2022–30.3.2031      | <b>267,000</b>   | –                       | –         | –                          | <b>267,000</b>   |
|   | 28.2.2022     | 23.25               | 28.2.2023–27.2.2032      | <b>400,000</b>   | –                       | –         | –                          | <b>400,000</b>   |
| <b>Other employee participants</b>        |               |                     |                          |                  |                         |           |                            |                  |
|   | 31.3.2016     | 33.05               | 31.3.2017–30.3.2026      | <b>20,000</b>    | –                       | –         | –                          | <b>20,000</b>    |
|   | 31.3.2017     | 35.33               | 31.3.2018–30.3.2027      | <b>74,000</b>    | –                       | –         | –                          | <b>74,000</b>    |
|   | 29.3.2018     | 41.50               | 29.3.2019–28.3.2028      | <b>124,000</b>   | –                       | –         | –                          | <b>124,000</b>   |
|   | 29.3.2019     | 42.05               | 29.3.2020–28.3.2029      | <b>174,000</b>   | –                       | –         | <b>(4,000)</b>             | <b>170,000</b>   |
|   | 31.3.2020     | 25.20               | 31.3.2021–30.3.2030      | <b>223,000</b>   | –                       | –         | <b>(5,000)</b>             | <b>218,000</b>   |
|   | 31.3.2021     | 30.40               | 31.3.2022–30.3.2031      | <b>276,000</b>   | –                       | –         | <b>(7,000)</b>             | <b>269,000</b>   |
|   | 31.3.2022     | 23.36               | 31.3.2023–30.3.2032      | <b>389,000</b>   | –                       | –         | <b>(11,000)</b>            | <b>378,000</b>   |
|   |               |                     |                          | <b>6,266,400</b> | –                       | –         | <b>(27,000)</b>            | <b>6,239,400</b> |
| <b>Exercisable at the end of the year</b> |               |                     |                          |                  |                         |           |                            | <b>6,239,400</b> |

Notes:

- All share options granted have a vesting period of three years in equal proportions, starting from the first anniversary of the grant and become fully vested on the third anniversary. "Exercise period" accordingly begins with the first anniversary of the date of grant.
- The share options lapsed during the year in accordance with the rules of the Share Option Schemes.
- The Group has applied HKFRS 2 to account for its share options granted. In accordance with HKFRS 2, fair value of share options granted to employees determined at the date of grant is expensed over the vesting period, with a corresponding adjustment to the Group's share options reserve.  
The fair values of share options granted by the Company were determined by using Black-Scholes option pricing model (the "Model"). The Model is one of the commonly used models to estimate the fair value of an option. The variables and assumptions used in computing the fair value of the share options are based on the management's best estimate. The value of an option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

The Company had not granted any share option under the Share Option Schemes to any other person as required to be disclosed under Rule 17.07 of the Listing Rules in 2025.

### 36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

#### (b) Movement of share options and share award schemes (continued)

The following table discloses movements of the Company's share options held by the Director and eligible employees in prior year:

| Name                                      | Date of grant | Exercise price<br>HK\$ | Exercise period<br>(Note a) | Balance           | Changes during the year |             |                                  | Balance             |
|---|---------------|------------------------|-----------------------------|-------------------|-------------------------|-------------|----------------------------------|---------------------|
|   |               |                        |                             | as at<br>1.1.2024 | Granted                 | Exercised   | Cancelled/<br>lapsed<br>(Note b) | as at<br>31.12.2024 |
| <b>2005 Share Option Scheme</b>           |               |                        |                             |                   |                         |             |                                  |                     |
| <b>Executive Director</b>                 |               |                        |                             |                   |                         |             |                                  |                     |
| Lee Irene Yun-Lien                        | 10.3.2014     | 32.84                  | 10.3.2015–9.3.2024          | 325,000           | –                       | –           | (325,000)                        | –                   |
|   | 12.3.2015     | 36.27                  | 12.3.2016–11.3.2025         | 300,000           | –                       | –           | –                                | 300,000             |
| <b>Other Employee Participants</b>        | 31.3.2014     | 33.75                  | 31.3.2015–30.3.2024         | 36,000            | –                       | –           | (36,000)                         | –                   |
|   | 31.3.2015     | 34.00                  | 31.3.2016–30.3.2025         | 47,000            | –                       | –           | (42,000)                         | 5,000               |
|   |               |                        |                             | 708,000           | –                       | –           | (403,000)                        | 305,000             |
| <b>2015 Share Option Scheme</b>           |               |                        |                             |                   |                         |             |                                  |                     |
| <b>Executive Directors</b>                |               |                        |                             |                   |                         |             |                                  |                     |
| Lee Irene Yun-Lien                        | 9.3.2016      | 33.15                  | 9.3.2017–8.3.2026           | 375,000           | –                       | –           | –                                | 375,000             |
|   | 23.2.2017     | 36.25                  | 23.2.2018–22.2.2027         | 300,000           | –                       | –           | –                                | 300,000             |
|   | 1.3.2018      | 44.60                  | 1.3.2019–29.2.2028          | 373,200           | –                       | –           | –                                | 373,200             |
|   | 22.2.2019     | 42.40                  | 22.2.2020–21.2.2029         | 494,200           | –                       | –           | –                                | 494,200             |
|   | 21.2.2020     | 29.73                  | 21.2.2021–20.2.2030         | 650,000           | –                       | –           | –                                | 650,000             |
|   | 26.2.2021     | 33.05                  | 26.2.2022–25.2.2031         | 664,000           | –                       | –           | –                                | 664,000             |
|   | 28.2.2022     | 23.25                  | 28.2.2023–27.2.2032         | 819,000           | –                       | –           | –                                | 819,000             |
| Lui Kon Wai                               | 29.3.2018     | 41.50                  | 29.3.2019–28.3.2028         | 179,000           | –                       | –           | –                                | 179,000             |
|   | 29.3.2019     | 42.05                  | 29.3.2020–28.3.2029         | 203,000           | –                       | –           | –                                | 203,000             |
|   | 31.3.2020     | 25.20                  | 31.3.2021–30.3.2030         | 262,000           | –                       | –           | –                                | 262,000             |
|   | 31.3.2021     | 30.40                  | 31.3.2022–30.3.2031         | 267,000           | –                       | –           | –                                | 267,000             |
|   | 28.2.2022     | 23.25                  | 28.2.2023–27.2.2032         | 400,000           | –                       | –           | –                                | 400,000             |
| <b>Other employee participants</b>        | 31.3.2016     | 33.05                  | 31.3.2017–30.3.2026         | 85,000            | –                       | –           | (65,000)                         | 20,000              |
|   | 31.3.2017     | 35.33                  | 31.3.2018–30.3.2027         | 178,667           | –                       | –           | (104,667)                        | 74,000              |
|   | 29.3.2018     | 41.50                  | 29.3.2019–28.3.2028         | 214,000           | –                       | –           | (90,000)                         | 124,000             |
|   | 29.3.2019     | 42.05                  | 29.3.2020–28.3.2029         | 330,000           | –                       | –           | (156,000)                        | 174,000             |
|   | 31.3.2020     | 25.20                  | 31.3.2021–30.3.2030         | 403,000           | –                       | –           | (180,000)                        | 223,000             |
|   | 31.3.2021     | 30.40                  | 31.3.2022–30.3.2031         | 490,000           | –                       | –           | (214,000)                        | 276,000             |
|   | 31.3.2022     | 23.36                  | 31.3.2023–30.3.2032         | 699,000           | –                       | –           | (310,000)                        | 389,000             |
|   |               |                        | 7,386,067                   | –                 | –                       | (1,119,667) | 6,266,400                        |                     |
| <b>Exercisable at the end of the year</b> |               |                        |                             |                   |                         |             |                                  | 6,035,394           |

Notes:

- All share options granted have a vesting period of three years in equal proportions starting from the first anniversary of the grant and become fully vested on the third anniversary. "Exercise period" accordingly begins with the first anniversary of the date of grant.
- The share options lapsed during the year in accordance with the rules of the Share Option Schemes.
- The Group has applied HKFRS 2 to account for its share options granted. In accordance with HKFRS 2, fair value of share options granted to employees determined at the date of grant is expensed over the vesting period, with a corresponding adjustment to the Group's share options reserve.

The fair values of share options granted by the Company were determined by using the Model. The Model is one of the commonly used models to estimate the fair value of an option. The variables and assumptions used in computing the fair value of the share options are based on the management's best estimate. The value of an option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

The Company had not granted any share option under the Share Option Schemes to any other person as required to be disclosed under Rule 17.07 of the Listing Rules in 2024.

## Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

### 36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

#### (b) Movement of share options and share award schemes (continued)

Movements in the Awarded Shares under the 2024 Share Award Scheme during the year are set out below:

| Name                           | Date of grant | Vesting period    | Fair value per Awarded Share HK\$<br>(Note a) | Closing price of Shares immediately before the date of grant HK\$ | Balance as at 1.1.2025 | Changes during the year |                    |                                  | Balance as at 31.12.2025 |
|--------------------------------|---------------|-------------------|---|---|------------------------|-------------------------|--------------------|----------------------------------|--------------------------|
|                                |               |                   |   |   |                        | Granted                 | Vested<br>(Note c) | Cancelled/<br>lapsed<br>(Note d) |                          |
| <b>2024 Share Award Scheme</b> |               |                   |   |   |                        |                         |                    |                                  |                          |
| <b>Executive Directors</b>     |               |                   |   |   |                        |                         |                    |                                  |                          |
| Lee Irene Yun-Lien             | 1.4.2024      | 1.4.2025–1.4.2027 | 12.62   | 12.62   | <b>463,369</b>         | –                       | <b>(46,337)</b>    | –                                | <b>417,032</b>           |
| Lui Kon Wai                    | 1.4.2024      | 1.4.2025–1.4.2027 | 12.62   | 12.62   | <b>269,925</b>         | –                       | <b>(26,992)</b>    | –                                | <b>242,933</b>           |
| <b>Other grantees</b>          |               |                   |   |   |                        |                         |                    |                                  |                          |
|                                | 1.4.2024      | 1.4.2025–1.4.2027 | 12.62   | 12.62   | <b>561,683</b>         | –                       | <b>(82,545)</b>    | <b>(45,870)</b>                  | <b>433,268</b>           |
|                                | 1.4.2025      | 1.4.2026–1.4.2028 | 12.60   | 12.60   | –                      | <b>49,255</b>           | –                  | <b>(2,155)</b>                   | <b>47,100</b>            |
|                                |               |                   |   |   |                        | <b>(Note b)</b>         |                    |                                  |                          |
|                                |               |                   |   |   | <b>1,294,977</b>       | <b>49,255</b>           | <b>(155,874)</b>   | <b>(48,025)</b>                  | <b>1,140,333</b>         |

Notes:

- The fair value of the Awarded Shares was calculated based on the closing price of the Shares immediately before the date of grant (i.e. 31 March 2025), which was HK\$12.60 per share. The Group has adopted the accounting standard in accordance with HKFRS 2 – Share-based Payment. According to HKFRS 2, the fair value of the employee services received in exchange for the grant of the Awarded Shares is recognized as an expense, with a corresponding increase in equity, over the vesting period of the Awarded Shares. The amount recognized as an expense is adjusted to reflect the number of Awarded Shares for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of Awarded Shares that meet the related service and nonmarket performance conditions at the vesting date.
- Among the 49,255 Awarded Shares granted to other grantees, 18,082 Awarded Shares are Restricted Shares and 31,173 Awarded Shares are Performance Shares.
- Awarded Shares were vested during the year in accordance with the rules of the 2024 Share Award Scheme.
- Awarded Shares lapsed during the year in accordance with the rules of the 2024 Share Award Scheme.

### 36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

#### (b) Movement of share options and share award schemes (continued)

Movements in the Awarded Shares under the 2024 Share Award Scheme during the Relevant Period are set out below:

| Name                           | Date of grant | Vesting period    | Fair value per Awarded Share HK\$ (Note a) | Closing price of Shares immediately before the date of grant HK\$ | Balance as at 19.1.2024 | Changes during the Relevant Period |                 |                           | Balance as at 31.12.2024 |
|--------------------------------|---------------|-------------------|--|---|-------------------------|------------------------------------|-----------------|---------------------------|--------------------------|
|                                |               |                   |  |   |                         | Granted                            | Vested (Note e) | Cancelled/lapsed (Note f) |                          |
| <b>2024 Share Award Scheme</b> |               |                   |  |   |                         |                                    |                 |                           |                          |
| <b>Executive Directors</b>     |               |                   |  |   |                         |                                    |                 |                           |                          |
| Lee Irene Yun-Lien             | 1.4.2024      | 1.4.2025–1.4.2027 | 12.62                                      | 12.62   | –                       | 463,369<br>(Note b)                | –               | –                         | 463,369                  |
| Lui Kon Wai                    | 1.4.2024      | 1.4.2025–1.4.2027 | 12.62                                      | 12.62   | –                       | 269,925<br>(Note c)                | –               | –                         | 269,925                  |
| <b>Other grantees</b>          | 1.4.2024      | 1.4.2025–1.4.2027 | 12.62                                      | 12.62   | –                       | 683,611<br>(Note d)                | –               | (121,928)                 | 561,683                  |
|                                |               |                   |  |   | –                       | 1,416,905                          | –               | (121,928)                 | 1,294,977                |

Notes:

- The fair value of the Awarded Shares was calculated based on the closing price of the Shares immediately before the date of grant (i.e. 28 March 2024), which was HK\$12.62 per share, given that the date of grant was not a business day. The Group has adopted the accounting standard in accordance with HKFRS 2 – Share-based Payment. According to HKFRS 2, the fair value of the employee services received in exchange for the grant of the Awarded Shares is recognized as an expense, with a corresponding increase in equity, over the vesting period of the Awarded Shares. The amount recognized as an expense is adjusted to reflect the number of Awarded Shares for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of Awarded Shares that meet the related service and non-market performance conditions at the vesting date.
- Among the 463,369 Awarded Shares granted to Ms. Lee Irene Yun-Lien, 139,011 Awarded Shares are Restricted Shares and 324,358 Awarded Shares are Performance Shares.
- Among the 269,925 Awarded Shares granted to Mr. Lui Kon Wai, 80,978 Awarded Shares are Restricted Shares and 188,947 Awarded Shares are Performance Shares.
- Among the 683,611 Awarded Shares granted to other grantees, 303,921 Awarded Shares are Restricted Shares and 379,690 Awarded Shares are Performance Shares.
- No Awarded Shares were vested during the Relevant Period.
- Awarded Shares lapsed during the year in accordance with the rules of the 2024 Share Award Scheme.

### 37. INVESTMENT PROPERTIES HELD FOR SALE

During the year ended 31 December 2025, the Group launched the capital recycling program through partial sales of two blocks of Bamboo Grove. For the residential units with sale and purchase agreements as at 31 December 2025, the directors of the Company considered that the held-for-sale criteria as set out in HKFRS 5 were met, by taking into account the fact that the subject investment properties were immediately available for sale, and the sale was highly probable as appropriate level of management had committed to a plan to sell the investment properties. Accordingly, the subject investment properties were classified as investment properties held for sale as at 31 December 2025.

As at 31 December 2025, fair value of the investment properties classified as held for sale were determined by Knight Frank Petty Limited, an independent qualified professional valuer not connected with the Group, taking into consideration the contracted selling price, if any. No change in fair value of investment properties held for sale is recognized in profit or loss during the year ended 31 December 2025.

# Financial Risk Management

For the year ended 31 December 2025

## 1. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include loans to associates, loans to joint ventures, other financial investments, debt securities, accounts and other receivables, time deposits, cash and cash equivalents, accounts payable and accruals, deposits from tenants, amounts due to non-controlling interests, borrowings and derivative financial instruments. Details of these financial instruments are disclosed in respective Notes to the Consolidated Financial Statements section. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### (a) Credit risk and impairment assessment

The credit risk of the Group is primarily attributable to loans to associates, loans to joint ventures, accounts and other receivables, derivative financial instruments, debt securities, time deposits and bank balances. The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statement of financial position.

The Group reviewed and assessed the Group's existing financial assets and financial guarantee contract for impairment using reasonable, supportable and forward-looking information that is available without undue cost or effort in accordance with HKFRS 9. For the purpose of internal credit risk management, the Group uses financial information (such as historical settlement records, past due records, deposits held or other credit enhancement) to assess whether credit risk has increased significantly since initial recognition.

The Group's internal credit risk grading assessment comprises the following categories:

| Internal credit rating | Description   | Accounts receivables   | Other financial assets                |
|------------------------|---|--|---------------------------------------|
| Performing             | The counterparty has a low credit risk of default or does not have any past-due amounts   | Lifetime Expected Credit Losses ("ECL")<br>– not credit-impaired | 12-month ECL<br>– not credit-impaired |
| Non-performing         | There have been significant increases in credit risk since initial recognition through information developed internally or external resources | Lifetime ECL<br>– not credit-impaired                            | Lifetime ECL<br>– not credit-impaired |
| Write-off              | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery            | Amount is written off  | Amount is written off                 |

### Loans to associates and joint ventures

The Group regularly monitors the business performance of the associates and joint ventures. The Group's credit risk in these balances are mitigated through the value of the assets held by these entities and the power to participate or jointly control the relevant activities of these entities. As at 31 December 2025, these loans with gross carrying amount of HK\$4,450 million (2024: HK\$4,524 million) are considered to be performing and were assessed individually based on 12-month ECL.

## 1. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (a) Credit risk and impairment assessment (continued)

#### Accounts and other receivables

Credit checks on tenants are part of the normal leasing process and stringent monitoring procedures are in place to deal with overdue debts. In addition, the Group reviews the expected credit losses of each individual debt, after taking into consideration the deposits from tenants, at the end of each reporting period. As at 31 December 2025, accounts and other receivables (excluding prepayments in respect of investment properties) with gross carrying amount of HK\$680 million (2024: HK\$747 million) are considered to be performing and were assessed individually based on the respective lifetime ECL and 12-month ECL.

#### Debt securities, time deposits, bank balances and derivative financial instruments

Credit exposure to financial institutions and debt securities issuers are monitored and reported regularly to the management. The exposure to each counterparty comprised (i) investment value of financial assets (including bank balances, time deposits and debt securities); (ii) net positive value of derivative financial instruments and; (iii) potential exposures to derivatives which are based on the remaining term and the notional amount of the derivative financial instruments.

The Group only deals with financial institutions and invests in debt securities issued by issuers that have strong credit ratings to mitigate counterparty risk. As at 31 December 2025, debt securities, time deposits and bank balances and derivative financial instruments with gross carrying amount of HK\$4,419 million (2024: HK\$3,244 million) were assessed individually based on 12-month ECL and considered to be performing as all financial institutions that the Group dealt with. Time deposits, bank balances and debt securities invested had credit ratings A or above as rated by international credit rating agencies. In order to limit exposure to each financial institution and debt securities issuers, an exposure limit was set with each counterparty according to their external credit rating with regular review by management.

Other than concentration of credit risk on loans to associates and joint ventures, the Group does not have any other significant concentration of credit risk.

No credit loss is provided for except for loans to joint ventures and debt securities. A reconciliation of loss allowances recognized is presented below.

|                                     | Loss allowance for                         |                                    |
|-------------------------------------|--|------------------------------------|
|                                     | Loans to<br>joint ventures<br>HK\$ million | Debt<br>securities<br>HK\$ million |
| As at 1 January 2024                | 8  | 3                                  |
| Net impairment loss under ECL model | 184  | –                                  |
| As at 31 December 2024              | 192  | 3                                  |
| Net impairment loss under ECL model | 805  | –                                  |
| <b>As at 31 December 2025</b>       | <b>997</b>                                 | <b>3</b>                           |

The maximum exposure to credit risk is represented by the carrying amount of each financial asset at amortized cost in the consolidated statement of financial position after deducting any impairment allowance. Besides, the Group is also exposed to credit risk arising from the corporate financial guarantees which will cause a financial loss to the Group if the guarantee is called out.

In respect of the financial guarantee contract, the credit risk exposures of the Group is assessed under 12-month ECL and concluded that the loss given default of the counter party, a joint venture, is insignificant and accordingly, no allowance of credit loss is provided.

# Financial Risk Management (continued)

For the year ended 31 December 2025

## 1. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (b) Liquidity risk

The Group closely monitors its liquidity requirements and the sufficiency of cash and available banking facilities so as to ensure that the payment obligations are met.

The following table details the remaining contractual maturity of the Group for its non-derivative financial liabilities based on the agreed repayment terms. Maturity of the Group's financial guarantee contract is presented separately. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay. The table includes both interest and principal cash flows. The interest payments are computed using contractual rates or, if floating, based on the prevailing market rate at the end of the reporting period, the undiscounted amount is derived based on management's best estimates at the end of the reporting period, taking into consideration interest rate curve, if available. For cash flows denominated in currency other than Hong Kong dollars ("HKD"), the prevailing foreign exchange rates at the end of the reporting period are used to convert the cash flows into HKD.

|   | Carrying amount<br>HK\$ million | Total contractual undiscounted cash flow<br>HK\$ million | Within 1 year or on demand<br>HK\$ million | More than 1 year but not exceeding 2 years<br>HK\$ million | More than 2 years but not exceeding 5 years<br>HK\$ million | More than 5 years<br>HK\$ million |
|---|---------------------------------|--|--|--|---|-----------------------------------|
| <b>As at 31 December 2025</b>               |                                 |  |  |  |   |                                   |
| <b>Non-derivative financial liabilities</b> |                                 |  |  |  |   |                                   |
| Accounts payable and accruals               | (1,701)                         | (1,701)  | (1,701)                                    | –  | –   | –                                 |
| Deposits from tenants                       | (892)                           | (892)  | (295)                                      | (201)  | (320)   | (76)                              |
| Amounts due to non-controlling interests    | (6,089)                         | (6,197)  | (182)                                      | –  | (6,015)   | –                                 |
| Secured bank loans                          | (10,197)                        | (10,635)   | (391)                                      | (10,244)   | –   | –                                 |
| Unsecured bank loans                        | (4,297)                         | (4,613)  | (356)                                      | (151)  | (4,106)   | –                                 |
| Unsecured fixed rate notes                  | (14,030)                        | (16,017)   | (2,131)                                    | (4,094)  | (5,456)   | (4,336)                           |
|   | <b>(37,206)</b>                 | <b>(40,055)</b>  | <b>(5,056)</b>                             | <b>(14,690)</b>  | <b>(15,897)</b>   | <b>(4,412)</b>                    |
| <b>As at 31 December 2024</b>               |                                 |  |  |  |   |                                   |
| <b>Non-derivative financial liabilities</b> |                                 |  |  |  |   |                                   |
| Accounts payable and accruals               | (1,428)                         | (1,428)  | (1,428)                                    | –  | –   | –                                 |
| Deposits from tenants                       | (872)                           | (872)  | (306)                                      | (193)  | (320)   | (53)                              |
| Amounts due to non-controlling interests    | (5,875)                         | (6,030)  | (189)                                      | –  | (5,841)   | –                                 |
| Secured bank loans                          | (8,772)                         | (9,782)  | (470)                                      | (470)  | (8,842)   | –                                 |
| Unsecured bank loans                        | (2,415)                         | (2,469)  | (1,328)                                    | (596)  | (545)   | –                                 |
| Unsecured fixed rate notes                  | (15,327)                        | (17,718)   | (1,947)                                    | (2,069)  | (9,236)   | (4,466)                           |
|   | <b>(34,689)</b>                 | <b>(38,299)</b>  | <b>(5,668)</b>                             | <b>(3,328)</b>   | <b>(24,784)</b>   | <b>(4,519)</b>                    |

## 1. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (b) Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its derivative financial instruments. The table has been drawn up based on the undiscounted gross (outflows) inflows on those derivatives that require gross settlement, and the undiscounted contractual net cash (outflows) and inflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the prevailing market rate at the end of the reporting period. For cash flows denominated in currency other than HKD, the prevailing foreign exchange rates at the end of the reporting period are used to convert the cash flows into HKD.

|                                 | Carrying amount<br>HK\$ million | Total contractual undiscounted cash flow<br>HK\$ million | Within 1 year or on demand<br>HK\$ million | More than 1 year but not exceeding 2 years<br>HK\$ million | More than 2 years but not exceeding 5 years<br>HK\$ million | More than 5 years<br>HK\$ million |
|---------------------------------|---------------------------------|--|--|--|---|-----------------------------------|
| <b>As at 31 December 2025</b>   |                                 |  |  |  |   |                                   |
| <b>Derivative settled net</b>   |                                 |  |  |  |   |                                   |
| Interest rate swaps             | (105)                           | (62)   | (53)                                       | (13)   | 4   | –                                 |
| <b>Derivative settled gross</b> |                                 |  |  |  |   |                                   |
| Cross currency swaps            | (454)                           | –  | –  | –  | –   | –                                 |
| Outflow                         | –                               | (21,241)   | (782)                                      | (3,876)  | (14,519)  | (2,064)                           |
| Inflow                          | –                               | 21,424   | 833  | 3,901  | 14,659  | 2,031                             |
| <b>As at 31 December 2024</b>   |                                 |  |  |  |   |                                   |
| <b>Derivative settled net</b>   |                                 |  |  |  |   |                                   |
| Interest rate swaps             | (196)                           | (72)   | (35)                                       | (23)   | (14)  | –                                 |
| <b>Derivative settled gross</b> |                                 |  |  |  |   |                                   |
| Cross currency swaps            | (254)                           | –  | –  | –  | –   | –                                 |
| Outflow                         | –                               | (10,266)   | (266)                                      | (266)  | (7,604)   | (2,130)                           |
| Inflow                          | –                               | 10,162   | 261  | 261  | 7,551   | 2,089                             |

### (c) Interest rate risk

The Group manages its interest rate exposure by assessing the potential impact on the Group's financial position arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed rates and floating rates and ensure that they are within an appropriate range. The Group is exposed to fair value interest rate risk in relation to fixed rate debt securities, time deposits and cash and cash equivalents (see notes 20 and 23 of the Notes to Consolidated Financial Statements section).

As at 31 December 2025, about 46% (2024: 39%) of the Group's gross debts was effectively on a floating rate basis. The ratio could be adjusted according to views about changes in the interest rate trend going forward. In addition, the Group is exposed to cash flow interest rate risk as the interest income derived from time deposits and bank balances is subject to interest rate changes. Other than the concentration of interest rate risk related to the movements in Hong Kong Interbank Offered Rate, the Group has no significant concentration of interest rate risk.

# Financial Risk Management (continued)

For the year ended 31 December 2025

## 1. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (c) Interest rate risk (continued)

#### Sensitivity analysis

The sensitivity analysis below has been determined assuming that the change in interest rates had occurred at the end of the reporting period and all other variables were held constant. Such change has been applied to both derivative and non-derivative financial instruments that would have affected the profit or loss and equity. A change of +100 and -25 basis points (“bps”) (2024: +100 and -25 bps) was applied to the HKD and US dollars (“USD”) yield curves at the end of the reporting period. The applied change of bps represented management’s assessment of the reasonably possible change in interest rates based on the current market conditions.

In management’s opinion, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

|                               | (Decrease) increase in profit or loss |                              | Increase (decrease) in equity |                              |
|-------------------------------|---------------------------------------|------------------------------|-------------------------------|------------------------------|
|                               | bps increase<br>HK\$ million          | bps decrease<br>HK\$ million | bps increase<br>HK\$ million  | bps decrease<br>HK\$ million |
| <b>As at 31 December 2025</b> | <b>(110)</b>                          | <b>27</b>                    | <b>91</b>                     | <b>(23)</b>                  |
| <b>As at 31 December 2024</b> | (94)                                  | 23                           | 62                            | (14)                         |

### (d) Currency risk

The Group aims to minimize its currency risk and does not speculate in currency movements for debt management. To cover foreign exchange exposures arising from debts, the Group’s foreign currency denominated monetary liabilities may be hedged back to HKD unless the liabilities are naturally hedged by the underlying asset in the same foreign currency. In managing the Group’s monetary assets, the Group limits the aggregate net foreign currency exposures to a certain threshold. Exposures exceeding that threshold will be hedged back to HKD. The majority of the Group’s assets are located and all rental income and management fee income are derived in Hong Kong and Mainland, and denominated in HKD and RMB.

As at 31 December 2025, the Group’s entities with functional currency of HKD had aggregate USD net monetary liabilities of HK\$6,727 million (2024: net monetary liabilities of HK\$6,423 million).

As at 31 December 2025, the Group’s entities with functional currency of HKD had aggregate RMB net monetary liabilities of HK\$1,003 million (2024: net monetary liabilities of HK\$952 million).

Other than concentration of currency risk of the above items denominated in USD and RMB (2024: USD and RMB), the Group has no other significant currency risk.

The Group has entered into appropriate hedging instruments, mentioned in note 21 of the Notes to the Consolidated Financial Statements section, to hedge against part of the potential currency risk of the above items. The Group reviews the continuing effectiveness of hedging instruments at least at the end of the reporting period and until the hedging instrument expires or is terminated or the hedge no longer meets the criteria for hedge accounting.

## 1. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (d) Currency risk (continued)

#### Sensitivity analysis

The sensitivity analysis below has been determined assuming that a change in exchange rate had occurred at the end of the reporting period and all other variable were held constant. Such change has been applied to both derivative and non-derivative financial instruments that would have affected the profit or loss and other comprehensive income. Change of 500 percentage in points ("pips") (2024: 500 pips) was applied to the HKD:USD and HKD:RMB (2024: HKD:USD and HKD:RMB) spot and forward rates at the end of the reporting period.

In management's opinion, the sensitivity analysis is unrepresentative of the currency risk as the year end exposure does not reflect the exposure during the year.

|                               | (Decrease) increase in profit or loss |                               | Increase (decrease) in other comprehensive income |                               |
|-------------------------------|---------------------------------------|-------------------------------|---|-------------------------------|
|                               | pips increase<br>HK\$ million         | pips decrease<br>HK\$ million | pips increase<br>HK\$ million                     | pips decrease<br>HK\$ million |
| <b>As at 31 December 2025</b> |                                       |                               |   |                               |
| USD                           | <b>(50)</b>                           | <b>50</b>                     | <b>130</b>  | <b>(130)</b>                  |
| RMB                           | <b>(45)</b>                           | <b>45</b>                     | –   | –                             |
| <b>As at 31 December 2024</b> |                                       |                               |   |                               |
| USD                           | (48)                                  | 48                            | (43)  | 43                            |
| RMB                           | (45)                                  | 45                            | –   | –                             |

### (e) Other price risk

The Group is exposed to other price risk through its investment in equity security measured at fair value through other comprehensive income ("FVTOCI") and fund investment measured at fair value through profit or loss ("FVTPL"). The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

#### Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date. If the price of the equity securities had been 5% higher/lower, the other comprehensive income for the year ended 31 December 2025 would increase/decrease by HK\$83 million (2024: HK\$79 million) as a result of the changes in fair value of investment as at FVTOCI. The Group's exposure to price risk on investment in a fund investment was limited because the potential fluctuation was considered minimal.

## 2. CATEGORIES OF FINANCIAL INSTRUMENTS

|  | 2025<br>HK\$ million | 2024<br>HK\$ million |
|--|----------------------|----------------------|
| <b>Financial assets</b>                              |                      |                      |
| FVTPL  | 1                    | 88                   |
| FVTOCI   | 1,652                | 1,570                |
| Derivative instrument under hedge accounting         | 9                    | 137                  |
| Amortized cost (including cash and cash equivalents) | 7,947                | 7,533                |
|  | <b>9,609</b>         | 9,328                |
| <b>Financial liabilities</b>                         |                      |                      |
| Derivative instruments under hedge accounting        | 567                  | 587                  |
| Amortized cost                                       | 37,206               | 34,689               |
|  | <b>37,773</b>        | 35,276               |

## Financial Risk Management (continued)

For the year ended 31 December 2025

### 3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO ENFORCEABLE MASTER NETTING ARRANGEMENTS OR SIMILAR AGREEMENTS

The Group has entered certain derivative transactions that are covered by the International Swaps and Derivatives Association Master Agreements (“ISDA Agreements”) signed with various banks. These derivative instruments are not offset in the consolidated statement of financial position as the ISDA Agreements are in place with a right of set off only in the event of default, insolvency or bankruptcy so that the Group currently has no legally enforceable right to set off the recognized amounts. Other than derivatives transactions mentioned above, the Group has no other financial assets and financial liabilities which are offset in the Group’s consolidated statement of financial statements or are subject to similar netting arrangements.

#### (a) Financial assets subject to enforceable master netting arrangements or similar agreements

|                                    | Gross amounts of<br>recognized<br>financial assets<br>HK\$ million | Gross amounts of<br>recognized financial<br>liabilities set off in the<br>consolidated statement of<br>financial position<br>HK\$ million | Net amounts of<br>financial assets<br>presented in the<br>consolidated<br>statement of<br>financial position<br>HK\$ million |
|------------------------------------|--|---|--|
| <b>As at 31 December 2025</b>      |  |   |  |
| Derivatives under hedge accounting | 9  | –   | 9  |
| <b>As at 31 December 2024</b>      |  |   |  |
| Derivatives under hedge accounting | 137  | –   | 137  |

#### (b) Net financial assets subject to enforceable master netting arrangements or similar agreements, by counterparty

|                               | Net amounts of<br>financial assets<br>presented in the<br>consolidated statement<br>of financial position<br>HK\$ million | Financial liabilities<br>not set off in the<br>consolidated<br>statement of<br>financial position<br>HK\$ million | Net amount<br>HK\$ million |
|-------------------------------|---|---|----------------------------|
| <b>As at 31 December 2025</b> |   |   |                            |
| Counterparty E                | –   | –   | –                          |
| <b>As at 31 December 2024</b> |   |   |                            |
| Counterparty E                | 31  | –   | 31                         |

### 3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO ENFORCEABLE MASTER NETTING ARRANGEMENTS OR SIMILAR AGREEMENTS (continued)

#### (c) Financial liabilities subject to enforceable master netting arrangements or similar agreements

|                                    | Gross amounts of<br>recognized financial<br>liabilities<br>HK\$ million | Gross amounts of<br>recognized financial<br>assets set off in<br>the consolidated<br>statement of<br>financial position<br>HK\$ million | Net amounts of<br>financial<br>liabilities<br>presented in the<br>consolidated<br>statement of<br>financial position<br>HK\$ million |
|------------------------------------|---|---|--|
| <b>As at 31 December 2025</b>      |   |   |  |
| Derivatives under hedge accounting | (567)   | –   | (567)  |
| <b>As at 31 December 2024</b>      |   |   |  |
| Derivatives under hedge accounting | (587)   | –   | (587)  |

#### (d) Net financial liabilities subject to enforceable master netting arrangements and similar agreements, by counterparty

|                               | Net amounts of<br>financial liabilities<br>presented in the<br>consolidated<br>statement of<br>financial position<br>HK\$ million | Financial assets<br>not set off in the<br>consolidated<br>statement of<br>financial position<br>HK\$ million | Net amount<br>HK\$ million |
|-------------------------------|---|--|----------------------------|
| <b>As at 31 December 2025</b> |   |  |                            |
| Counterparty A                | (87)  | 2  | (85)                       |
| Counterparty B                | (193)   | –  | (193)                      |
| Counterparty C                | (144)   | 1  | (143)                      |
| Counterparty D                | (56)  | 3  | (53)                       |
| Counterparty E                | (21)  | 3  | (18)                       |
| Counterparty F                | (28)  | –  | (28)                       |
| Counterparty G                | (31)  | –  | (31)                       |
| Counterparty H                | (7)   | –  | (7)                        |
|                               | (567)   | 9  | (558)                      |
| <b>As at 31 December 2024</b> |   |  |                            |
| Counterparty A                | (87)  | 24   | (63)                       |
| Counterparty B                | (185)   | 3  | (182)                      |
| Counterparty C                | (146)   | 23   | (123)                      |
| Counterparty D                | (117)   | 56   | (61)                       |
| Counterparty F                | (52)  | –  | (52)                       |
|                               | (587)   | 106  | (481)                      |

## Financial Risk Management (continued)

For the year ended 31 December 2025

### 4. FAIR VALUE MEASUREMENT

#### (a) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The fair values of financial assets and financial liabilities measured at amortized cost are determined in accordance with generally accepted pricing models based on discounted cash flow methodology taking into account the market interest rate and credit risk of the counterparties and of the Group as appropriate.

The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities measured at amortized cost in the consolidated financial statements approximate their fair values, except for the carrying amount of HK\$14,030 million (2024: HK\$15,327 million) unsecured fixed rate notes as stated in note 26 of the Notes to the Consolidated Financial Statements section with fair value of HK\$13,324 million (2024: HK\$14,102 million).

The fair value of HK\$8,174 million (2024: HK\$7,828 million) of the unsecured fixed rate notes is categorized into Level 1 of the fair value hierarchy, in which the fair value was derived from quoted prices in an active market translated at the spot foreign exchange rate of the respective currency at year end.

The fair value of HK\$5,150 million (2024: HK\$6,274 million) of the unsecured fixed rate notes is categorized into Level 2 of the fair value hierarchy, in which the fair value was measured using discounted cash flow methodology based on observable yield curves of the respective currency taking into account the credit margin of the Group as appropriate.

#### 4. FAIR VALUE MEASUREMENT (continued)

##### (b) Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table provides an analysis of financial instruments that are measured at fair value on a recurring basis, grouped into Levels 1 to 3 based on the degree to which the inputs to the fair value measurements are observable.

|   | 2025                    |                         |                         |                       |
|---|-------------------------|-------------------------|-------------------------|-----------------------|
|   | Level 1<br>HK\$ million | Level 2<br>HK\$ million | Level 3<br>HK\$ million | Total<br>HK\$ million |
| <b>Financial assets</b>                   |                         |                         |                         |                       |
| <b>Financial assets at FVTPL</b>          |                         |                         |                         |                       |
| Unlisted club debenture                   | –                       | 1                       | –                       | 1                     |
| <b>Financial asset at FVTOCI</b>          |                         |                         |                         |                       |
| Unlisted investment in equity securities  | –                       | –                       | 1,652                   | 1,652                 |
| <b>Derivatives under hedge accounting</b> |                         |                         |                         |                       |
| Cross currency swaps                      | –                       | 9                       | –                       | 9                     |
| <b>Total</b>                              | <b>–</b>                | <b>10</b>               | <b>1,652</b>            | <b>1,662</b>          |
| <b>Financial liabilities</b>              |                         |                         |                         |                       |
| <b>Derivatives under hedge accounting</b> |                         |                         |                         |                       |
| Cross currency swaps                      | –                       | 462                     | –                       | 462                   |
| Interest rate swaps                       | –                       | 105                     | –                       | 105                   |
| <b>Total</b>                              | <b>–</b>                | <b>567</b>              | <b>–</b>                | <b>567</b>            |
|   |                         |                         |                         |                       |
|   | 2024                    |                         |                         |                       |
|   | Level 1<br>HK\$ million | Level 2<br>HK\$ million | Level 3<br>HK\$ million | Total<br>HK\$ million |
| <b>Financial assets</b>                   |                         |                         |                         |                       |
| <b>Financial assets at FVTPL</b>          |                         |                         |                         |                       |
| Unlisted club debenture                   | –                       | 1                       | –                       | 1                     |
| Fund investment                           | –                       | –                       | 87                      | 87                    |
| <b>Financial asset at FVTOCI</b>          |                         |                         |                         |                       |
| Unlisted investment in equity securities  | –                       | –                       | 1,570                   | 1,570                 |
| <b>Derivatives under hedge accounting</b> |                         |                         |                         |                       |
| Cross currency swaps                      | –                       | 127                     | –                       | 127                   |
| Interest rate swaps                       | –                       | 10                      | –                       | 10                    |
| <b>Total</b>                              | <b>–</b>                | <b>138</b>              | <b>1,657</b>            | <b>1,795</b>          |
| <b>Financial liabilities</b>              |                         |                         |                         |                       |
| <b>Derivatives under hedge accounting</b> |                         |                         |                         |                       |
| Cross currency swaps                      | –                       | 381                     | –                       | 381                   |
| Interest rate swaps                       | –                       | 206                     | –                       | 206                   |
| <b>Total</b>                              | <b>–</b>                | <b>587</b>              | <b>–</b>                | <b>587</b>            |

## Financial Risk Management (continued)

For the year ended 31 December 2025

### 4. FAIR VALUE MEASUREMENT (continued)

#### (c) Reconciliation of Level 3 fair value measurement of financial asset

|   | Fund investment<br>HK\$ million | Unlisted<br>investment in<br>equity securities<br>HK\$ million |
|---|---------------------------------|--|
| As at 1 January 2024                          | 97                              | 1,460  |
| Addition                                      | 9                               | 5  |
| Loss recognized in profit or loss             | (19)                            | –  |
| Gain recognized in other comprehensive income | –                               | 105  |
| As at 31 December 2024                        | 87                              | 1,570  |
| Addition                                      | –                               | 5  |
| Loss recognized in profit or loss             | (87)                            | –  |
| Gain recognized in other comprehensive income | –                               | 77   |
| <b>As at 31 December 2025</b>                 | <b>–</b>                        | <b>1,652</b>   |

The unrealized fair value loss of HK\$87 million (2024: unrealized fair value loss of HK\$19 million) relating to fund investment at fair value through profits or loss is included in change in fair value of other financial investments.

#### (d) Valuation techniques and inputs used in fair value measurements

Cross currency swaps and interest rate swaps are measured using discounted cash flow methodology based on observable spot and forward exchange rates as well as the yield curves of the respective currencies taking into account the credit risk of the counterparties and of the Group as appropriate.

Financial assets grouped in Level 3 are measured with reference to the fair value of underlying assets and liabilities as at the end of the reporting period and/or other valuation techniques including market approach, taking into account different multiples such as price per earnings/revenue multiples of comparable listed companies, where relevant. If there is lack of marketability, a discount is applied in determining the fair value. A slight increase in lack of marketability discount would result in a slight decrease in the fair value of the unlisted investment in equity securities, vice versa.

#### (e) Valuation process of Level 3 fair value measurements of financial assets

At the end of the reporting period, the management of the Group obtains the valuation techniques and inputs for Level 3 fair value measurements in relation to the fund investment and its underlying assets and liabilities. The Group engages independent qualified professional valuer to perform the valuation for investment in equity security. Where there is a material change in the fair value of the financial assets grouped in Level 3, analysis will be performed and the causes of the fluctuations will be reported to the Directors of the Company.

## 5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The Group monitors its capital structure on the basis of a net debt to equity ratio. For this purpose, the Group defines net debt as borrowings as shown in the consolidated statement of financial position less time deposits, cash and cash equivalents.

The management reviews the Group's net debt to equity ratio regularly and adjusts the ratio through the payment of dividends, the issuance of new share, perpetual capital securities or debt, the repurchase of shares and the repurchase of existing perpetual capital securities or debt.

The net debt to equity ratio at the year end was as follows:

|                            | 2025<br>HK\$ million | 2024<br>HK\$ million |
|----------------------------|----------------------|----------------------|
| Secured bank loans         | 10,197               | 8,772                |
| Unsecured bank loans       | 4,297                | 2,415                |
| Unsecured fixed rate notes | 14,030               | 15,327               |
| Borrowings                 | 28,524               | 26,514               |
| Less: Time deposits        | –                    | (647)                |
| Cash and cash equivalents  | (3,831)              | (1,564)              |
| Net debt                   | 24,693               | 24,303               |
| Total equity               | 76,214               | 77,429               |
| Net debt to equity         | 32.4%                | 31.4%                |

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

# Five-Year Financial Summary

For the year ended 31 December

|   | 2025<br>HK\$ million | 2024<br>HK\$ million | 2023<br>HK\$ million | 2022<br>HK\$ million | 2021<br>HK\$ million |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Results</b>  |                      |                      |                      |                      |                      |
| Turnover  | <b>3,464</b>         | 3,409                | 3,210                | 3,460                | 3,608                |
| Property expenses   | <b>(686)</b>         | (646)                | (621)                | (567)                | (499)                |
| Gross profit  | <b>2,778</b>         | 2,763                | 2,589                | 2,893                | 3,109                |
| Investment income   | <b>151</b>           | 167                  | 261                  | 248                  | 92                   |
| Other gains and losses  | <b>2</b>             | 3                    | 1                    | (1)                  | (3)                  |
| Administrative expenses   | <b>(309)</b>         | (308)                | (307)                | (332)                | (274)                |
| Finance costs   | <b>(549)</b>         | (450)                | (478)                | (423)                | (393)                |
| Change in fair value of investment properties                     | <b>(1,405)</b>       | (1,506)              | (2,763)              | (3,213)              | (720)                |
| Change in fair value of other financial investments               | <b>(87)</b>          | (19)                 | (267)                | (1)                  | (5)                  |
| Fair value gain on disposed investment properties                 | <b>592</b>           | –                    | –                    | –                    | –                    |
| Share of results of associates                                    | <b>202</b>           | 204                  | 270                  | 274                  | 458                  |
| Share of results of joint ventures                                | <b>(783)</b>         | (287)                | (37)                 | (52)                 | (3)                  |
| Profit (loss) before taxation                                     | <b>592</b>           | 567                  | (731)                | (607)                | 2,261                |
| Taxation  | <b>(296)</b>         | (296)                | (295)                | (342)                | (358)                |
| Profit (loss) for the year  | <b>296</b>           | 271                  | (1,026)              | (949)                | 1,903                |
| Perpetual capital securities holders                              | <b>(525)</b>         | (418)                | (442)                | (450)                | (459)                |
| Other non-controlling interests                                   | <b>544</b>           | 182                  | 596                  | 242                  | (61)                 |
| Profit (loss) attributable to owners of the Company               | <b>315</b>           | 35                   | (872)                | (1,157)              | 1,383                |
| Underlying profit for the year                                    | <b>2,510</b>         | 1,956                | 1,832                | 2,129                | 2,330                |
| Recurring underlying profit for the year                          | <b>1,918</b>         | 1,956                | 1,832                | 2,063                | 2,330                |
| Dividends   |                      |                      |                      |                      |                      |
| Dividends paid  | <b>1,109</b>         | 1,109                | 1,479                | 1,486                | 1,497                |
| Dividends declared  | <b>832</b>           | 832                  | 832                  | 1,202                | 1,210                |
| Dividends per share (HK cents)                                    | <b>108</b>           | 108                  | 108                  | 144                  | 144                  |
| Earnings (loss) per share (HK\$), based on:                       |                      |                      |                      |                      |                      |
| Profit (loss) for the year  |                      |                      |                      |                      |                      |
| – basic   | <b>0.31</b>          | 0.03                 | (0.85)               | (1.12)               | 1.33                 |
| – diluted   | <b>0.31</b>          | 0.03                 | (0.85)               | (1.12)               | 1.33                 |
| <b>Performance indicators</b>                                     |                      |                      |                      |                      |                      |
| Net debt to equity  | <b>32.4%</b>         | 31.4%                | 27.2%                | 23.4%                | 11.7%                |
| Net interest coverage<br>(after interest capitalization) (times)  | <b>6.3x</b>          | 8.8x                 | 9.6x                 | 13.1x                | 9.1x                 |
| Net interest coverage<br>(before interest capitalization) (times) | <b>2.3x</b>          | 2.3x                 | 2.4x                 | 3.9x                 | 5.3x                 |
| Net asset value per share (HK\$)                                  | <b>63.7</b>          | 64.3                 | 65.4                 | 68.4                 | 71.4                 |
| Net debt per share (HK\$)   | <b>24.0</b>          | 23.7                 | 21.1                 | 19.0                 | 9.9                  |
| Year-end share price (HK\$)                                       | <b>20.5</b>          | 11.8                 | 15.5                 | 25.3                 | 24.1                 |

**As at 31 December**

|  | <b>2025</b><br>HK\$ million | 2024<br>HK\$ million | 2023<br>HK\$ million | 2022<br>HK\$ million | 2021<br>HK\$ million |
|--|-----------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Assets and liabilities</b>            |                             |                      |                      |                      |                      |
| Investment properties                    | <b>96,157</b>               | 96,547               | 96,005               | 96,787               | 95,107               |
| Investments in associates                | <b>5,474</b>                | 5,347                | 5,488                | 5,491                | 5,995                |
| Loans to associates                      | <b>8</b>                    | 8                    | 8                    | 10                   | 10                   |
| Investments in joint ventures            | <b>364</b>                  | 342                  | 445                  | 473                  | 475                  |
| Loans to joint ventures                  | <b>3,445</b>                | 4,324                | 4,029                | 3,485                | 1,256                |
| Other financial investments              | <b>1,652</b>                | 1,657                | 1,557                | 2,035                | 1,780                |
| Time deposits, cash and cash equivalents | <b>3,831</b>                | 2,211                | 3,854                | 7,771                | 8,404                |
| Other assets                             | <b>4,491</b>                | 3,653                | 3,140                | 3,113                | 4,346                |
| <b>Total assets</b>                      | <b>115,422</b>              | 114,089              | 114,526              | 119,165              | 117,373              |
| Borrowings                               | <b>(28,524)</b>             | (26,514)             | (25,564)             | (27,277)             | (18,657)             |
| Taxation                                 | <b>(1,435)</b>              | (1,384)              | (1,272)              | (1,203)              | (1,091)              |
| Other liabilities                        | <b>(9,249)</b>              | (8,762)              | (7,999)              | (7,274)              | (9,740)              |
| <b>Total liabilities</b>                 | <b>(39,208)</b>             | (36,660)             | (34,835)             | (35,754)             | (29,488)             |
| <b>Net assets</b>                        | <b>76,214</b>               | 77,429               | 79,691               | 83,411               | 87,885               |
| Perpetual capital securities             | <b>(9,404)</b>              | (9,437)              | (10,224)             | (10,224)             | (10,657)             |
| Other non-controlling interests          | <b>(1,354)</b>              | (1,999)              | (2,285)              | (2,987)              | (3,358)              |
| <b>Shareholders' funds</b>               | <b>65,456</b>               | 65,993               | 67,182               | 70,200               | 73,870               |

Definitions:

- (1) Underlying profit for the year:  
a non-HKFRS Accounting Standards measure, is arrived at by adding (i) Reported Profit (Loss) excluding unrealized 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.
- (2) Recurring underlying profit for the year:  
a non-HKFRS Accounting Standards measure, is a performance indicator of the Group's core property investment business and is arrived at by excluding from Underlying Profit items that are non-recurring in nature
- (3) Net debt to equity:  
borrowings less time deposits, cash and cash equivalents divided by total equity
- (4) Net interest coverage (after interest capitalization):  
"Gross profit less administrative expenses before depreciation" divided by "net interest expenses charged to profit or loss"
- (5) Net Interest Coverage (before interest capitalization):  
"Gross profit less administrative expenses before depreciation" divided by "net interest expenses charged to profit or loss plus interest expenses capitalized"
- (6) Net asset value per share:  
shareholders' funds divided by number of issued shares as at year end
- (7) Net debt per share:  
borrowings less time deposits, cash and cash equivalents divided by number of issued shares at year end

# Report of the Valuer

To the Board of Directors

**Hysan Development Company Limited**

Dear Sirs,

## **Annual Revaluation of Investment Properties as at 31 December 2025**

In accordance with your appointment of Knight Frank Petty Limited to value the investment properties (including investment properties held for sale) in Hong Kong and in the People's Republic of China and a property under development in Hong Kong owned by Hysan Development Company Limited and its subsidiaries, we are pleased to advise that the market value of the investment properties as at 31 December 2025 was in the approximate sum of Hong Kong Dollars Ninety-seven Billion Seven Hundred and Sixty-eight Million (Hong Kong Dollars 97,768 million).

The completed investment properties has been valued individually on market value basis and have been assessed on the basis of capitalisation of the net and potential income. We have also cross-checked the values by market comparables.

Yours faithfully

**Knight Frank Petty Limited**

Hong Kong, 20 February 2026

# Schedule of Principal Properties

As at 31 December 2025

## INVESTMENT PROPERTIES

|  | Address  | Lot No.  | Use         | Category of the Lease | Percentage held by the Group |
|--|--|--|-------------|-----------------------|------------------------------|
| <b>Hong Kong</b>                           |  |  |             |                       |                              |
| <b>1. Bamboo Grove</b> <sup>(Note a)</sup> | 74-86 Kennedy Road<br>Mid-Levels<br>Hong Kong  | IL 8624  | Residential | Medium term lease     | 100%                         |
| <b>2. Hysan Place</b>                      | 500 Hennessy Road<br>Causeway Bay<br>Hong Kong | IL 29 sFF<br>ML 365 RP   | Commercial  | Long lease            | 100%                         |
| <b>3. Lee Garden One</b>                   | 33 Hysan Avenue<br>Causeway Bay<br>Hong Kong   | IL 29 sDD<br>IL 29 sMM<br>IL 29 sL RP<br>IL 457 sL<br>IL 457 RP  | Commercial  | Long lease            | 100%                         |
| <b>4. Lee Garden Two</b>                   | 28 Yun Ping Road<br>Causeway Bay<br>Hong Kong  | IL 29 sG<br>IL 457 sA<br>IL 457 sO<br>IL 457 sF<br>IL 457 sH<br>IL 457 sC ss1 & RP<br>IL 457 sD ss1 & RP<br>IL 457 sE ss1 & ss2 & RP<br>IL 457 sG ss1 & RP<br>IL 461 sC ss1 & ss2 & ss3 & RP | Commercial  | Long lease            | 65.36%                       |
| <b>5. Lee Garden Three</b>                 | 1 Sunning Road<br>Causeway Bay<br>Hong Kong    | IL 29 sJ ss1 RP & ss2 & RP   | Commercial  | Long lease            | 100%                         |

## Schedule of Principal Properties (continued)

As at 31 December 2025

### INVESTMENT PROPERTIES (continued)

|  | Address   | Lot No.                                | Use        | Category of the Lease | Percentage held by the Group |
|--|---|--|------------|-----------------------|------------------------------|
| <b>Hong Kong</b>                               |   |  |            |                       |                              |
| <b>6. Lee Garden Five</b>                      | 18 Hysan Avenue<br>Causeway Bay<br>Hong Kong                              | IL 457 sN<br>IL 29 sLL                 | Commercial | Long lease            | 100%                         |
| <b>7. Lee Garden Six</b>                       | 111 Leighton Road<br>Causeway Bay<br>Hong Kong                            | IL 29 sKK                              | Commercial | Long lease            | 100%                         |
| <b>8. Lee Garden Eight</b> <sup>(Note b)</sup> | Inland Lot No. 8945<br>Caroline Hill Road<br>Causeway Bay<br>Hong Kong    | IL 8945                                | Commercial | Medium term lease     | 60%                          |
| <b>9. Lee Theatre Plaza</b>                    | 99 Percival Street<br>Causeway Bay<br>Hong Kong                           | IL 1452<br>IL 472 RP<br>IL 476 RP      | Commercial | Long lease            | 100%                         |
| <b>10. Leighton Centre</b>                     | 77 Leighton Road<br>Causeway Bay<br>Hong Kong                             | IL 1451 sB<br>IL 1451 sC<br>IL 1451 RP | Commercial | Long lease            | 100%                         |
| <b>11. One Hysan Avenue</b>                    | 1 Hysan Avenue<br>Causeway Bay<br>Hong Kong                               | IL 29 sGG RP                           | Commercial | Long lease            | 100%                         |
|  | Address   |  | Use        | Category of the Lease | Percentage held by the Group |
| <b>Mainland</b>                                |   |  |            |                       |                              |
| <b>1. Lee Gardens Shanghai</b>                 | Nos 668 & 688<br>Xinzha Road,<br>Jingan District,<br>Shanghai,<br>the PRC |  | Commercial | Medium term lease     | 100%                         |

Notes:

(a) Exclude sold units.

(b) The site is currently under development. The development site has a total site area of approximately 159,329 square feet and proposed total gross floor area of approximately 1,098,000 square feet. It is targeted for completion by the second half of 2026.

# Shareholding Analysis

## SHARE CAPITAL

At 31 December 2025

|                                  | HK\$          | Number of<br>Ordinary Shares |
|----------------------------------|---------------|------------------------------|
| Issued and fully paid-up capital | 7,723,225,778 | 1,027,008,223                |

There was one class of ordinary shares with equal voting rights

## DISTRIBUTION OF SHAREHOLDINGS

(At 31 December 2025, as per register of members of the Company)

| Size of registered shareholdings | Number of<br>shareholders | % of<br>shareholders | Number of<br>ordinary shares | % of the total<br>no. of<br>issued shares<br>(Note) |
|----------------------------------|---------------------------|----------------------|------------------------------|---|
| 5,000 or below                   | 2,432                     | 76.840%              | 3,110,614                    | 0.303%  |
| 5,001–50,000                     | 625                       | 19.747%              | 9,828,233                    | 0.957%  |
| 50,001–100,000                   | 60                        | 1.896%               | 4,485,790                    | 0.437%  |
| 100,001–500,000                  | 40                        | 1.264%               | 9,183,163                    | 0.894%  |
| 500,001–1,000,000                | 1                         | 0.032%               | 531,041                      | 0.052%  |
| Above 1,000,000                  | 7                         | 0.221%               | 999,869,382                  | 97.357%   |
| <b>Total</b>                     | <b>3,165</b>              | <b>100.00%</b>       | <b>1,027,008,223</b>         | <b>100.00%</b>                                      |

## TYPES OF SHAREHOLDERS

(At 31 December 2025, as per register of members of the Company)

| Type of Shareholders            | Number of<br>ordinary shares<br>held | % of the total<br>no. of<br>issued shares<br>(Note) |
|---------------------------------|--------------------------------------|---|
| 1. Lee Hysan Company Limited    | 433,130,735                          | 42.174%   |
| 2. Other corporate shareholders | 566,589,531                          | 55.169%   |
| 3. Individual shareholders      | 27,287,957                           | 2.657%  |
| <b>Total</b>                    | <b>1,027,008,223</b>                 | <b>100.00%</b>                                      |

## LOCATION OF SHAREHOLDERS

(At 31 December 2025, as per register of members of the Company)

| Location of Shareholders | Number of<br>ordinary shares<br>held | % of the total<br>no. of<br>issued shares<br>(Note) |
|--------------------------|--------------------------------------|---|
| Hong Kong                | 1,024,889,193                        | 99.794%   |
| United States and Canada | 1,892,016                            | 0.184%  |
| United Kingdom           | 18,480                               | 0.002%  |
| Others                   | 208,534                              | 0.020%  |
| <b>Total</b>             | <b>1,027,008,223</b>                 | <b>100.00%</b>                                      |

Note:

The percentages was computed based on the total number of shares of the Company in issue as at 31 December 2025 (i.e. 1,027,008,223 ordinary shares).

# Shareholder Information

## FINANCIAL CALENDAR

|  |                             |
|--|-----------------------------|
| Full year results announced  | 26 February 2026            |
| Ex-dividend date for second interim dividend                               | 11 March 2026               |
| Closure of register of members and record date for second interim dividend | 13 March 2026               |
| Despatch of second interim dividend warrants                               | (on or about) 27 March 2026 |
| Closure of register of members for the 2026 AGM                            | 1 June to 5 June 2026       |
| Record date for attending and voting at the 2026 AGM                       | 5 June 2026                 |
| 2026 AGM   | 5 June 2026                 |
| 2026 interim results to be announced                                       | 13 August 2026*             |

\* subject to change

## DIVIDEND

The Board has declared the payment of a second interim dividend of HK81 cents per share. The second interim dividend will be payable in cash to Shareholders whose names appear on the register of members of the Company ("Register of Members") as at Friday, 13 March 2026.

The Register of Members will be closed on Friday, 13 March 2026, for the purpose of determining Shareholders' entitlement to the second interim dividend, on which date no transfer of shares will be registered. In order to qualify for the second interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Investor Services Limited (the "Registrar") not later than 4:00 p.m. on Thursday, 12 March 2026.

Dividend warrants will be despatched to the Shareholders on or about Friday, 27 March 2026.

The Register of Members will also be closed from Monday, 1 June 2026 to Friday, 5 June 2026, both dates inclusive, for the purpose of determining Shareholders' entitlement to attend and vote at the 2026 AGM to be held on Friday, 5 June 2026, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the 2026 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Registrar not later than 4:00 p.m. on Friday, 29 May 2026.

## SHAREHOLDER SERVICES

For enquiries about share transfer and registration, please contact the Registrar:

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong  
Telephone: (852) 2980 1333  
Facsimile: (852) 2810 8185

Holders of the Company's ordinary shares should notify the Registrar promptly of any change of address.

This Annual Report (English and Chinese versions) is available on our website at [www.hysan.com.hk](http://www.hysan.com.hk) (the "Company's Website") and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) (the "Stock Exchange's Website"). Shareholders and investors who would like to be notified when the Company publishes its corporate communications<sup>Note</sup> on the Stock Exchange's Website can register for the News Alerts service in the Market Data section of the HKEx website at [https://www.hkex.com.hk/eng/invest/user/login\\_e.aspx](https://www.hkex.com.hk/eng/invest/user/login_e.aspx).

Pursuant to the Listing Rules, the Hong Kong Companies Ordinance and the Articles, the Company provides corporate communications to Shareholders by electronic means through the Company's Website and the Stock Exchange's Website with a notification of the publication of the corporate communications to the Shareholders concerned ("Electronic Means"), provided that the relevant Shareholders have consented to receiving the corporate communications by Electronic Means.

Shareholders may at any time choose to receive this Annual Report or other corporate communications in printed form in either English or Chinese language or both or by Electronic Means. Shareholders who have chosen to receive this Annual Report or other corporate communications using Electronic Means and who for any reason have difficulty in receiving or gaining access to this Annual Report or other corporate communications will promptly upon request be sent a printed copy free of charge.

Shareholders may at any time change their choice of the language and/or means of receipt of this Annual Report or other corporate communications of the Company by notice in writing to the Company or the Registrar, or by email to [hysan14-ecom@vistra.com](mailto:hysan14-ecom@vistra.com) or [cosec@hysan.com.hk](mailto:cosec@hysan.com.hk). The Change Request Form may be downloaded from the Company's Website.

Note: The term "corporate communications" refers to all "corporate communications" as defined in Listing Rules, including without limitation, Interim/Annual Reports, notices, circular, proxy forms of the Company.

## INVESTOR RELATIONS

For enquiries relating to investor relations, please email to [investor@hysan.com.hk](mailto:investor@hysan.com.hk) or write to the Company at:

Investor Relations  
Hysan Development Company Limited  
50/F Lee Garden One  
33 Hysan Avenue  
Hong Kong  
Telephone: (852) 2895 5777  
Facsimile: (852) 2577 5153

# Corporate Information

## BOARD OF DIRECTORS

Lee Irene Yun-Lien (*Chairman*)  
Lui Kon Wai (*Executive Director and Chief Operating Officer*)  
Chung Cordelia\*\*  
Churchouse Frederick Peter\*\*  
Wong Ching Ying Belinda\*\*  
Young Elaine Carole\*\*  
Zhang Yong\*\*  
Lee Anthony Hsien Pin\*  
(*Lee Irene Yun-Lien as his alternate*)  
Lee Chien\*  
Lee Tze Hau Michael\*

## AUDIT AND RISK MANAGEMENT COMMITTEE

Churchouse Frederick Peter\*\* (*Chairman*)  
Zhang Yong\*\*  
Lee Anthony Hsien Pin\*

## REMUNERATION COMMITTEE

Chung Cordelia\*\* (*Chairman*)  
Churchouse Frederick Peter\*\*  
Young Elaine Carole\*\*

## NOMINATION COMMITTEE

Lee Irene Yun-Lien (*Chairman*)  
Chung Cordelia\*\*  
Churchouse Frederick Peter\*\*  
Wong Ching Ying Belinda\*\*  
Lee Chien\*

\* Non-Executive Director

\*\* Independent Non-Executive Director

## SUSTAINABILITY COMMITTEE

Young Elaine Carole\*\* (*Chairman*)  
Wong Ching Ying Belinda\*\*  
Lee Tze Hau Michael\*

## COMPANY SECRETARY

Chow Lai Kwan

## REGISTERED OFFICE

50/F Lee Garden One  
33 Hysan Avenue  
Hong Kong

## OUR WEBSITE

Press releases and other information of the Group can be found at our website: [www.hysan.com.hk](http://www.hysan.com.hk)

## SHARE LISTING

Hysan's shares are listed on the Stock Exchange. It has a sponsored American Depositary Receipts ("ADR") Programme in the New York market

## STOCK CODE

Stock Exchange: 00014  
Bloomberg: 14HK  
Reuters: 0014.HK  
Ticker Symbol for ADR Code: HYSNY  
CUSIP reference number: 449162304

## AUDITOR

Deloitte Touche Tohmatsu  
Certified Public Accountants and  
Registered Public Interest Entity Auditors  
35/F, One Pacific Place  
88 Queensway  
Hong Kong

*The English version shall prevail in the case of any discrepancy or inconsistency between the English and Chinese versions.*

**Hysan Development Company Limited**

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