Hysan 希慎

NEWS RELEASE

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For immediate release

HYSAN DEVELOPMENT COMPANY LIMITED
2026 INTERIM RESULTS

SUMMARY

- **Turnover stable, while Recurring Underlying Profit grew 1.7% year-on-year. Underlying Profit increased 7.4%, supported by fair value gains on Bamboo Grove units sold.**

- **Retail turnover increased by 1.4%. Rejuvenated portfolio continued to drive rental improvement, while tenant sales recorded high-teens growth in the first half.**

- **Office turnover and occupancy remained stable, with negative rental reversions continuing but showing early signs of improvement.**

- **Hong Kong's residential market saw further strengthening, driving stronger leasing and sales momentum for the Group during the period.**

- **The Lee Gardens connectivity project and Lee Garden Eight development are on schedule to complete by the second half of 2026. Lee Garden Eight pre-leasing continuing good progress on securing strategic office and retail anchors.**

- **HK$8 billion five-year capital recycling programme launched in 2025, with HK$4.5 billion collected as of June 2026, further strengthening the balance sheet and driving meaningful deleveraging.**

- **The Group maintained its first interim dividend of HK27 cents per share.**

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RESULTS

		Notes	Six months ended 30 June 2026	2025	Change
Turnover	*HK$ million*	*1*	**1,728**	1,730	-0.1%
Recurring Underlying Profit	*HK$ million*	*2*	**1,049**	1,031	+1.7%
Underlying Profit	*HK$ million*	*3*	**1,107**	1,031	+7.4%
Reported Profit	*HK$ million*	*4*	**73**	75	-2.7%
Basic Earnings per Share	*HK cent*		**7**	7	-
First Interim Dividend per Share	*HK cent*		**27**	27	-

			As at 30 June 2026	As at 31 December 2025	
Shareholders' Funds	*HK$ million*	*5*	**65,289**	65,456	-0.3%
Net Asset Value per Share	*HK$*	*6*	**63.6**	63.7	-0.2%

n/m: not meaningful

Notes:

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

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HYSAN DEVELOPMENT 2026 INTERIM RESULTS

Results

(Hong Kong, 13 August 2026) **Hysan Development Company Limited** ("Hysan" or the “Group”, Hong Kong stock code: 00014) today announced its financial results for the six months ended 30 June 2026.

Turnover was broadly stable year-on-year. Our Hong Kong retail portfolio delivered strong growth in traffic and tenant sales, outperforming the overall market. New and expanded luxury flagships, together with a diverse selection of exciting, curated tenants and events, continue to enhance rental income. During the period, approximately 3% of our retail area was closed for the major enhancement works under the Lee Gardens connectivity project. Our Hong Kong office portfolio remained under pressure, with negative rental reversions as the market continued to absorb oversupply, while the ramp-up of Lee Gardens Shanghai supported improvement in office revenue. Residential rental income was lower following the sale of residential units in two blocks at Bamboo Grove.

Shareholders’ fund was HK$65,289 million as at 30 June 2026 (31 December 2025: HK$65,456 million).

As at 30 June 2026, the investment properties of the Group were valued at HK$96,031 million (31 December 2025: HK$96,157 million).

Dividends

The Board of Directors has declared a first interim dividend of HK27 cents per share (2025: HK27 cents) which will be payable in cash. Please see the table for all the relevant dates:

Closure of register of members	Friday, 28 August 2026
Ex-dividend date	Wednesday, 26 August 2026
Latest time to lodge transfer documents	Not later than 4pm on Thursday, 27 August 2026
Record date for first interim	Friday, 28 August 2026
First interim dividend payment date	On or about Friday, 11 September 2026

CHAIRMAN'S STATEMENT BY MS. IRENE YUN LIEN LEE

Hong Kong's economy was resilient in the first half of 2026, supported by steady activity across key sectors, recovery in tourism and more buoyant asset markets. Overall market sentiment showed improvements despite uncertainties in the global environment, shifts in consumer behaviour, and a persistently challenging office rental market.

Against this backdrop, Hysan remained focused on deepening tenant and customer engagement, leveraging the unique strengths of the Lee Gardens area, maintaining prudent financial discipline and advancing our Core and Pillars strategy. The progress achieved during the first half of the year underscores the enduring relevance of our Community Business Model.

Lee Gardens Rejuvenation: Bringing Harvest Phase to Full Realisation
Our Lee Gardens rejuvenation journey underwent a large-scale harvest phase during the period. In recent years, we have invested in asset enhancement, content curation and experiential offerings. The result of these efforts has since become increasingly visible across our Lee Gardens portfolio, consolidating the precinct's reputation as a compelling destination in Hong Kong.

Our positioning as the "home of luxury" continued to gain depth in the first half of 2026 with the phased completion of the renovated and expanded flagship maisons of luxury brands such as Hermès, Dior, Cartier, Chanel, Louis Vuitton, Van Cleef & Arpels, and Tiffany & Co. with its iconic Blue Box Café. These renovations represent more than individual store upgrades. They are a reflection of the confidence that leading global brands have in the long-term appeal of Lee Gardens and the rich experience offered by the precinct to local customers and tourists. At the same time, Hysan Place continued to evolve as a "trendsetter", introducing new retail and food and beverage concepts, pop-ups, events and offerings that resonate with today's consumers.

Lee Garden Eight: A New Hub where Work, Life and Community Come Together
Lee Garden Eight marks a key component of the rejuvenated Lee Gardens as a vibrant melting pot of work, play and life. On target for completion in the fourth quarter of 2026, this one-million-square-foot premium commercial development, designed in partnership with the world-renowned architectural firm Foster + Partners, will expand our Lee Gardens leasable portfolio by approximately 30%, with quality tenants secured for both retail and office segments.

The project is designed around people, supporting productivity, wellbeing, collaboration and community. Its 60,000-square-foot Lifestyle Park, 20,000-square-foot performing arts and cultural facilities, sustainability features and high-quality building specifications will heighten the competitiveness of the wider Lee Gardens and bring new experiences to the community.

Integrated Pedestrian Walkway System: Connectivity as a Catalyst for Growth
Connectivity is fundamental to our vision for Lee Gardens as a walkable neighbourhood where people can navigate with comfort. Progressing alongside Lee Garden Eight, the integrated pedestrian walkway system will connect the Lee Gardens area to Causeway Bay MTR station and create an all-weather elevated network that adds a second "street level", extending our retail space and experience to customers and commuters.

During the period, we marked an important milestone with the completion of the footbridge linking Lee Garden Three and Lee Garden Five, one of five new footbridges planned to be fully operational by the end of 2026.

Strategic Pillars: Support for Business and Geographic Diversification

Our strategic pillars continue to support business and geographic diversification. An extension of the Lee Gardens brand into the Chinese Mainland, Lee Gardens Shanghai brings together high-quality office tenants, retail offerings and lifestyle elements to create a rich business and social scene.

Our flex office business venture in partnership with the world's leading flex operator, IWG, continued to grow steadily across the Greater Bay Area and address structural changes in the region's office sector. Our healthcare investment through New Frontier Group supports our exposure to a sector aligned with long-term demographic and wellness trends. These strategic pillars are broadening our growth base while maintaining disciplined capital allocation.

Retail Portfolio: Turning Retail into Stories

Retail today is increasingly about memories, purpose and meaning. Customers are drawn to places that are engaging and resonate with their aspirations, tell stories they can relate to and want to be part of, and create moments worth sharing. For Lee Gardens, this reinforces our role as larger than a shopping destination: a place where brands and customers can build lasting emotional ties beyond the point of purchase.

In the first half of 2026, our retail portfolio recorded 17% growth in tenant sales and 8% growth in foot traffic, leading retail sales recovery in the Hong Kong market. Behind these numbers is a deeper shift: consumers are responding to retail environments that feel relevant, authentic and culturally alive.

We will continue to curate Lee Gardens as a living stage for brand storytelling and lifestyle discovery. Through luxury flagships, trendy brands, dining concepts, pop-ups, cultural programmes and tenant collaborations, we aim to keep refreshing the customer journey and ensure Lee Gardens remains emotionally engaging, commercially resilient and relevant to different generations.

Office Portfolio: Defending Occupancy with Quality and Flexibility

Hong Kong's office market remained competitive during the period, as companies continued to be cautious when evaluating their space requirements. Lee Gardens in Causeway Bay, as an attractive alternative for companies traditionally located in Central, offers strong connectivity, premium building specifications, professional property management, advanced sustainability features and diverse retail elements within the precinct. For companies seeking a workplace that supports brand presence and talent attraction, Lee Gardens offers a compelling proposition at the heart of one of Hong Kong's most dynamic districts.

This positioning has helped our office business remain resilient in the first half of the year and defend occupancy despite challenging market conditions. We continued to respond proactively to evolving workplace needs with enhanced offerings of fully furnished office space for immediate use, and combining quality traditional office space with flexible solutions, supported by our long-term partnership with the world's leading flex operator, IWG. As companies look beyond conventional locations and seek greater agility in how they use space, our platform spanning Hong Kong and the Greater Bay Area will continue to fuel our growth in a way that complements our traditional office portfolio.

Residential Portfolio: Turning Quality and Trust into Lasting Value

On the residential front, we are encouraged by the satisfactory sales performance of Bamboo Grove. The as-is sale of the two blocks reflects the market's trust in the Hysan brand, as well as recognition of the asset's inherent quality and the value created through our disciplined asset management over time. Our joint-venture residential projects, VILLA LUCCA and One Victoria Cove, continued to make steady progress during the period, further supporting our residential portfolio strategy.

Capital Recycling: Unlocking Value with Strategic Intent

Our capital recycling programme reflects Hysan's disciplined stewardship of capital and our commitment to unlocking value at the right time. Launched with clear strategic intent, the programme has made solid progress towards our HK$8 billion capital recycling target, with over 50% achieved in the first year since launch. By capitalising on positive market sentiment in the luxury residential sector, we have strengthened our balance sheet and reinforced our capacity to invest for sustainable growth.

Building for the Long-Term with Discipline and Confidence

The market is expected to remain dynamic in the second half of 2026. Global uncertainty, regional competition, changing consumer behaviour and office market pressures will continue to require vigilance and strong management. Our management team continues to demonstrate disciplined approach through effective and efficient execution as well as prudent time and cost control. With Lee Gardens rejuvenation nearing full realisation and Lee Garden Eight approaching completion, we are looking ahead to the next phase of growth with confidence and focus.

On behalf of the Board, I would like to extend my heartfelt appreciation to our staff for their dedication, professionalism and contributions. Their efforts have enabled Hysan to continue moving forward with purpose in an evolving environment. Together, we will continue to shape Lee Gardens as a place for all, one that brings people, businesses and communities together, while contributing to Hong Kong's sustainable development for generations to come.

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About Hysan Development Company Limited

Hysan Development Company Limited is a leading property investment, management, and development company with a core portfolio of high-quality office, retail and residential space in Hong Kong. With roots in the city that go back more than 100 years, Hysan has focused on building the community, mixing the traditional and the new, applying technology and practicing sustainability. It has transformed the Lee Gardens area into a modern smart community, with a unique Hong Kong character, making it an attractive destination for leading multinational corporations, international visitors and local residents.

The Company has been growing its core portfolio through upgrades and expansion. It has also invested in strategic growth pillars which target opportunities brought about by the New Economy, with the aim of reinforcing Hysan's business by geography and by sector. Among its strategic pillars are Lee Gardens Shanghai and residential property development projects. Hysan has been listed on the Stock Exchange of Hong Kong since 1981 under stock code 00014.