

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

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).

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

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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

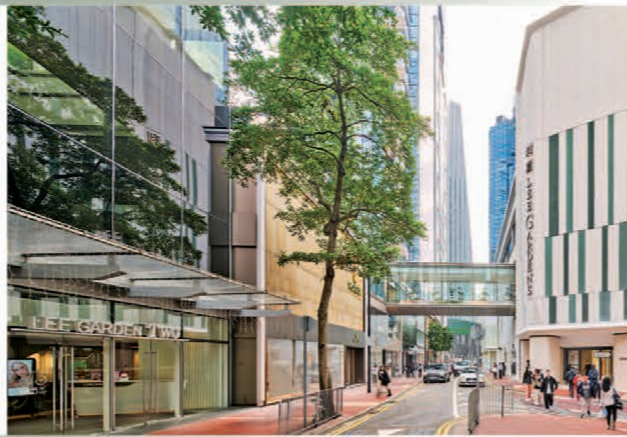


Trendsetter

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.



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

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
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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.

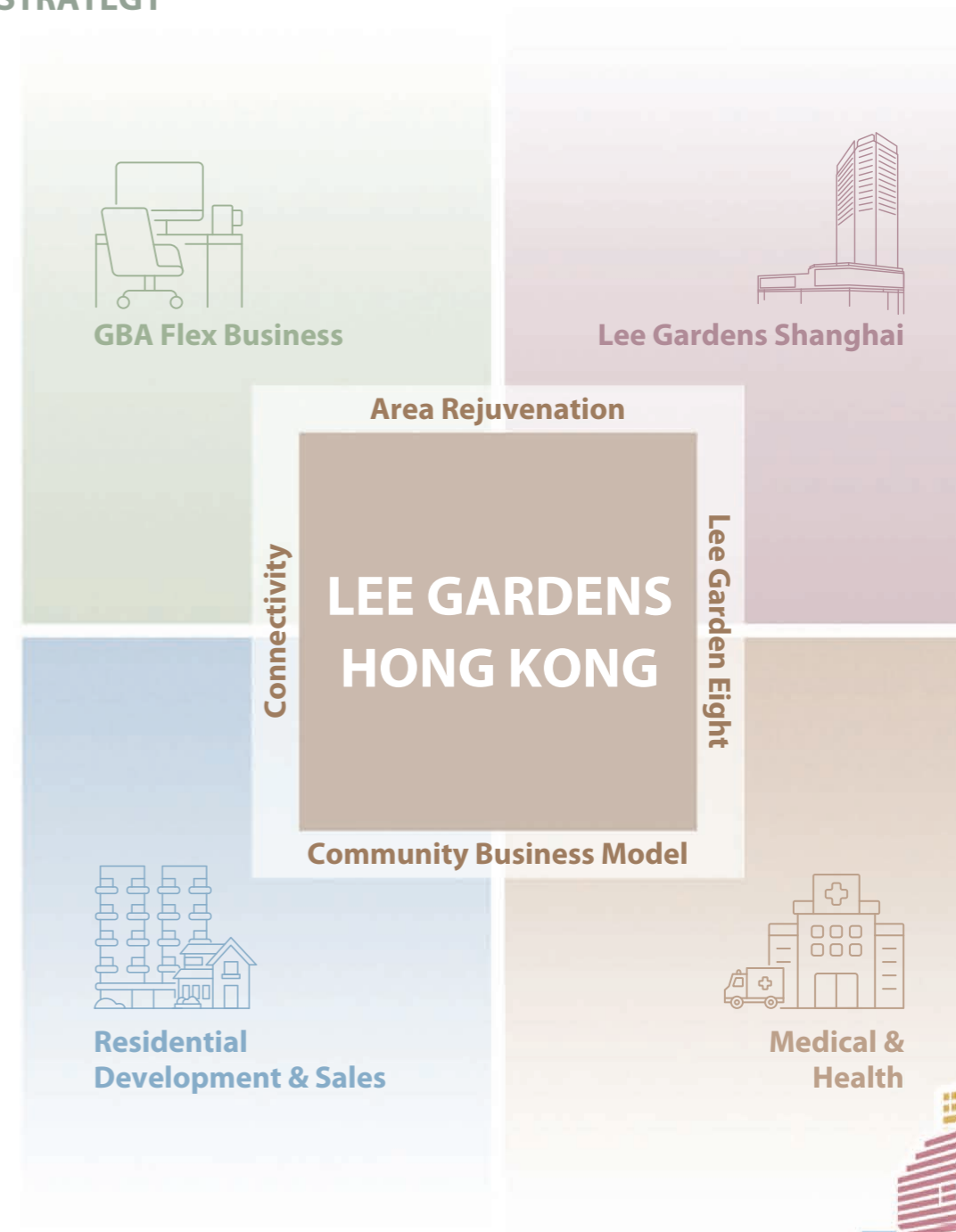
MISSION

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 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
716,000 ft²	40	66

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
314,000 ft²	26

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
430,000 ft²	28	321

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
169,000 ft²	26

SHANGHAI

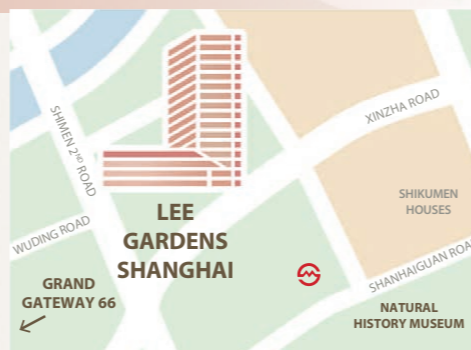
LEE GARDENS SHANGHAI

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
931,000 ft²	27	375



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
902,000 ft²	53	200

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
467,000 ft²	32	201

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
622,000 ft²	34	167

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
138,000 ft²	25

LEE GARDEN SIX OFFICE AND RETAIL

Convenient office and retail location

Completed in 1988 | Renovated in 2004

Approx. Gross Floor Area	Number of Floors
80,000 ft²	24

LEE GARDEN EIGHT OFFICE AND RETAIL

Premium commercial development which will set a new benchmark for sustainability

Target for completion in 2026

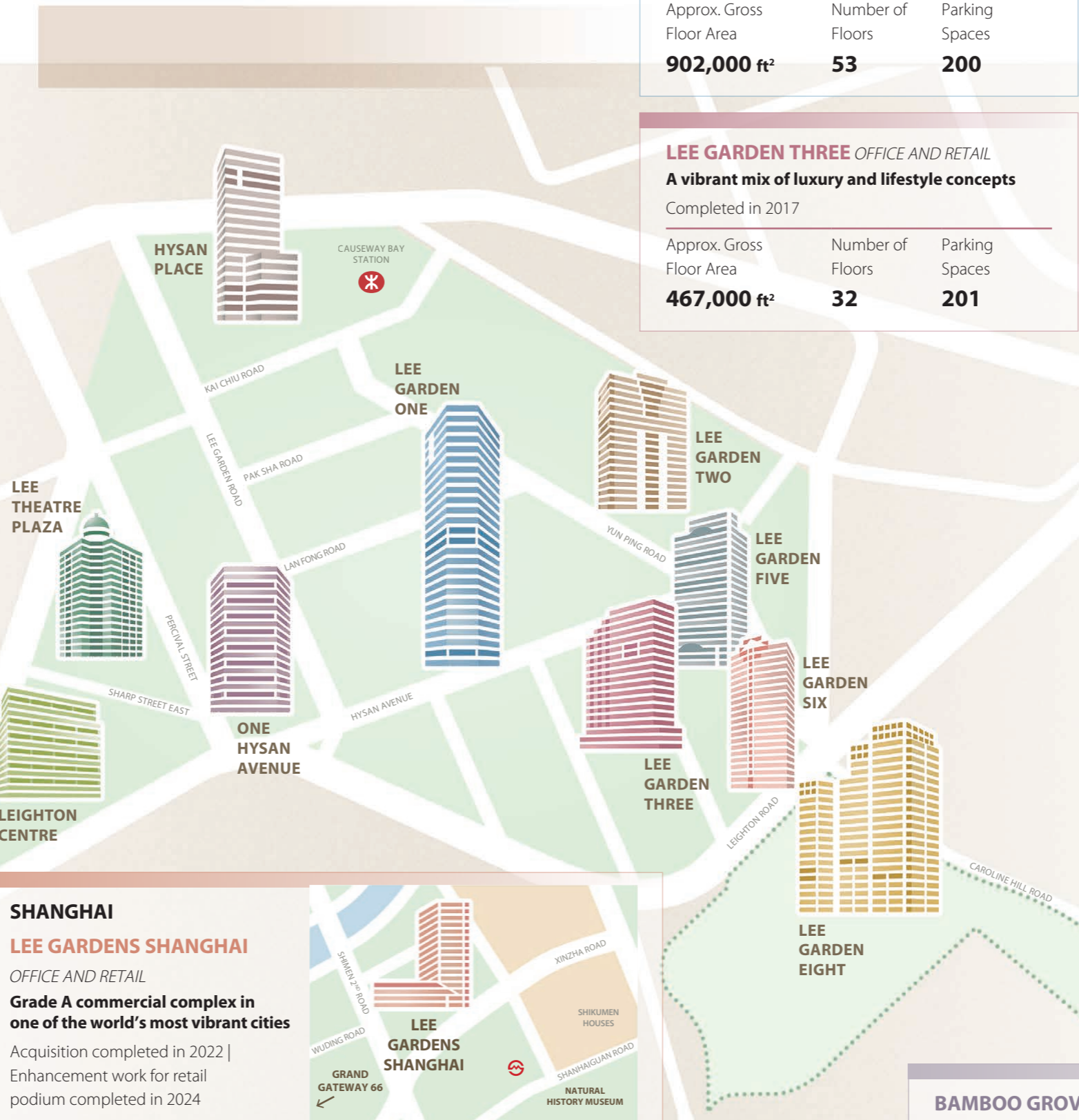
Approx. Gross Floor Area	Number of Floors	Parking Spaces
1,098,000 ft²	Tower 1: 30 Tower 2: 30 Tower 3: 21	612

BAMBOO GROVE RESIDENTIAL

Quality international living in Mid-Levels

Completed in 1985 | Renovated in 2019

Approx. Gross Floor Area	Number of Units	Parking Spaces
585,000 ft²	291	411



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

Corporate Treasurer Awards 2025

- Best Strategies & Initiatives – Most Innovative Treasury Initiative

Improved to "AA" Rating since 2024



Constituent Member of the FTSE4Good Index Series

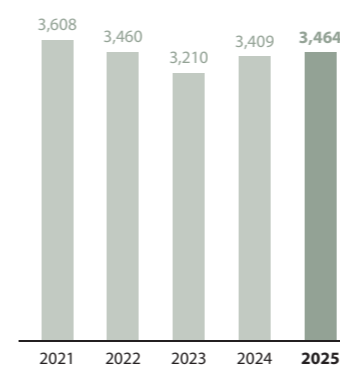


Financial Performance

Turnover

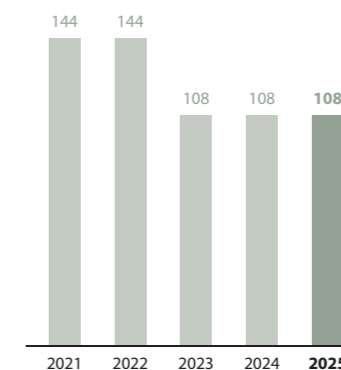
HK \$3,464m

↑1.6%



Dividends per Share

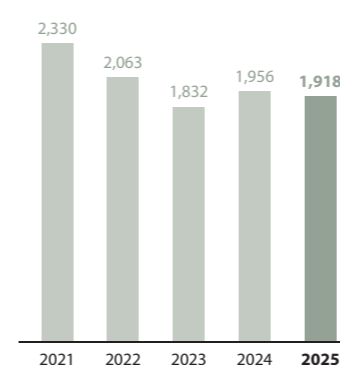
HK 108 cents



Recurring Underlying Profit

HK \$1,918m

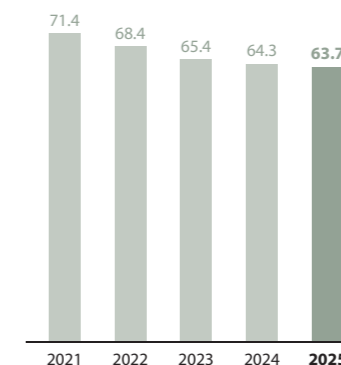
↓1.9%



Net Asset Value per Share

HK \$63.7

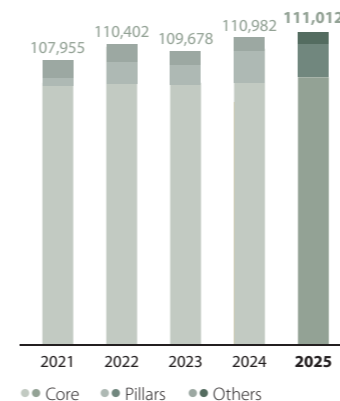
↓0.9%



Total asset (exclude cash and debt securities)

HK \$111,012m

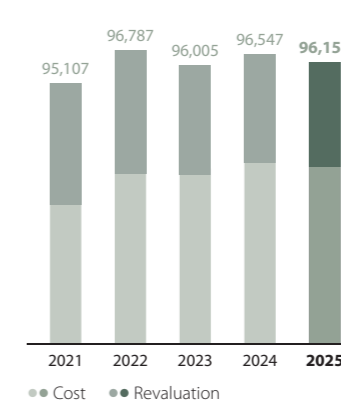
↑0.03%



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 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.

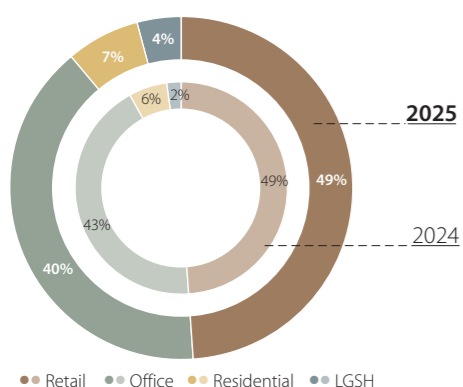
Residential: Hong Kong's luxury residential leasing market showed steady growth in 2025, driven by an influx of foreign talent that included expatriates relocated to Hong Kong and new arrivals through various talent admission schemes. The increasing number of executives, professionals and graduates entering 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
Hong Kong		
Retail	95%	92%
Office	94%	90%
Residential	87%	73%
LGSH		
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: Time deposits, cash and cash equivalents	3,831

Consolidated Statement of Financial Position at 31.12.2025

	HK\$ million
Net Assets	
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
Capital and reserves	
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
Net Assets	
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
Capital and reserves	
Share capital	7,723
Retained Profits	58,726
Other reserves	10,980
	77,429

Consolidated Retained Profits for the year ended 31.12.2025

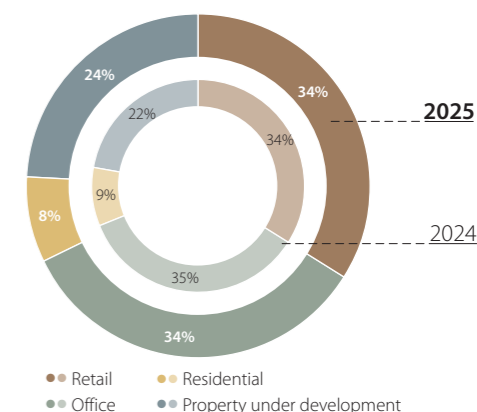
	HK\$ million
Retained profits at 1.1.2025	58,726
Profit attributable to owners of the Company	315
Dividends paid during the year	(1,109)
Repurchase of perpetual capital securities	3
Retained profits at 31.12.2025	57,935

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.