

To: Business/Property Editors

Date: 18 February 2025
For immediate release

HYSAN DEVELOPMENT COMPANY LIMITED 2024 ANNUAL RESULTS

SUMMARY

- Turnover increased by 6.2% to HK\$3,409 million, and Recurring Underlying Profit increased 6.8% to HK\$1,956 million, driven by improved rental income despite challenging market conditions.
- Core Portfolio: Retail turnover grew 9.5%, supported by luxury flagship expansion and positive rental reversion, with year-end occupancy at 92% (reflecting temporary vacancies from tenant mix revamp). Office turnover declined by 1.5%, with narrowing negative rental reversion and stable occupancy at 90%.
- Growth pillars: Lee Gardens Shanghai contributed HK\$73 million to turnover, with 70% of office space and 61% of retail space committed to date.
- Lee Garden Eight, together with an integrated walkway system linking Lee Gardens to the MTR, is set for completion in the second half of 2026.
- A second interim dividend of HK81 cents per share was declared.

RESULTS

		Notes	Year ended 31 December		
			2024	2023	Change
Turnover	HK\$ million	1	3,409	3,210	+6.2%
Recurring Underlying Profit	HK\$ million	2	1,956	1,832	+6.8%
Underlying Profit	HK\$ million	3	1,956	1,832	+6.8%
Reported Profit (Loss)	HK\$ million	4	35	(872)	n/m
Basic Earnings (Loss) per Share	HK cent		3	(85)	n/m
Full-year Dividends per Share	HK cent		108	108	±0%
			As at 31 December		
			2024	2023	
Shareholders' Funds	HK\$ million	5	65,993	67,182	-1.8%
Net Asset Value per Share	HK\$	6	64.3	65.4	-1.7%

n/m: not meaningful

Notes:

- Turnover** comprises gross rental income from leasing of investment properties located in Hong Kong and Mainland and management fee income from the provision of property management services for the year.
- Recurring Underlying Profit**, a non-HKFRS measure, is a performance indicator of the core property investment business of Hysan Development Company Limited (the "Company" or "Hysan") and its subsidiaries (the "Group") and is arrived at by excluding from Underlying Profit items that are non-recurring in nature.
- Underlying Profit**, a non-HKFRS 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.
- Reported Profit (Loss)** is the profit (loss) attributable to owners of the Company. It is prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance.
- Shareholders' Funds** are the equity attributable to owners of the Company.
- Net Asset Value per Share** represents Shareholders' Funds divided by the number of issued shares at year-end.

HYSAN DEVELOPMENT 2024 ANNUAL RESULTS

Results

(Hong Kong, 18 February 2025) **Hysan Development Company Limited** ("Hysan" or the "Group", Hong Kong stock code: 00014) today announced its financial results for the year ended 31 December 2024.

Turnover and Recurring Underlying Profit improved year-on-year by 6.2% and 6.8% respectively. The ramp-up of Lee Gardens Shanghai contributed to the improvement on financial results, while the structural changes continued to put pressure on the office sector.

Shareholders' fund was HK\$65,993 million as at 31 December 2024 (2023: HK\$67,182 million).

As at 31 December 2024, the Group's investment properties were valued at HK\$96,547 million, an increase of 0.6% from HK\$96,005 million as at 31 December 2023.

Dividends

The Board of Directors has declared a second interim dividend of HK81 cents per share (2023: HK81 cents per share) which will be payable in cash. Please see the table for all the relevant dates:

Closure of register of members	Wednesday, 5 March 2025
Ex-dividend date	Monday, 3 March 2025
Latest time to lodge transfer documents	Not later than 4pm on Tuesday, 4 March 2025
Record date for second interim	Wednesday, 5 March 2025
Second interim dividend payment date	On or about Wednesday, 19 March 2025

CHAIRMAN'S STATEMENT BY MS. IRENE YUN LIEN LEE

The year 2024 marked a major historical milestone for Hysan as we embarked on a second century of contributing to Hong Kong's development and shaping the city's growth. As an integral special region of China's long-term economic development, Hong Kong's economic future is secure and strong, underpinning our confidence in the future of Hong Kong.

At this significant moment in our history, we are more committed than ever to the future. We recognise that our legacy is more than just the history of our company. It must continue to evolve, based on a strong foundation of trust, shared values, culture and unity, underpinned by our long-term vision. Guided by Hysan's Community Business Model and its focus on inclusion and liveability, we will remain dedicated to adapting, expanding and transforming Lee Gardens for the people who visit, work and live in the area.

The 2024 Market in Review

In 2024, the Hong Kong economy continued to recover gradually from the impact of the pandemic. Private consumption expenditure was still under pressure, amid changes in consumption patterns and competition from our northern neighbours and Japan with its weak yen. Office rental market remained weak due to increased supply and subdued demand. Hysan remains nimble as we continue to address and transform our retail and office offerings so that we shape and capture trends. We provide seamless physical and digital immersive, communal, cultural, trendsetting and authentic experiences that attract high quality and repeat visitors and shoppers. We aim to connect to and interact with different generations and demographics, from locals to tourists.

Entering the Harvest Phase on our Journey of Transformation

The achievement of our evolving business strategy was reflected in the financial contributions that began to materialise during the year.

We started to rejuvenate Lee Gardens two years ago, marking a key milestone in our journey of transformation. In 2024, we began to unveil our new Lee Gardens, welcoming more than 10 newly renovated and expanded maison flagships, including the recent reopening of Hermès, Dior and Cartier in Lee Garden One, Two, Three and Five. We look forward to showcasing more flagships and new concepts throughout the portfolio during 2025.

By 2026, Lee Gardens will be fully connected by an integrated pedestrian walkway system. Upon completion, it will create seamless working, shopping, dining and leisure experience with a pleasant journey for office occupants and shoppers.

The Caroline Hill Road development, a strategic move reinforcing our leading position in the Lee Gardens area, was officially named Lee Garden Eight during the year. Serving as a pivotal piece in our master plan, the project will expand our portfolio area by almost 30%.

Lee Garden Eight, a one-million-square-foot premium commercial development, which includes a 60,000 square-foot green open space, will set a new benchmark for sustainability and is already gaining the market's endorsement with interest from quality tenants.

A five-year Memorandum of Understanding was signed during the year by the joint venture established by Hysan and Chinachem Group with the Extension and Continuing Education for Life of The Hong Kong Academy for Performing Arts (“HKAPA EXCEL”) to be the operator of the performing arts and cultural facilities at Lee Garden Eight. Through this strategic partnership, we aim to promote diverse art and cultural experiences in line with the HKSAR Government's Blueprint for Arts and Culture and Creative Industries Development. It will also enhance the appeal and cultural vitality of Lee Gardens, support talent development and meet the growing cultural needs of the city.

Our strategic pillars continued to make solid contributions to our core operations during the year, particularly with regard to our office portfolio in the Mainland. At Lee Gardens Shanghai, we achieved strong ramp-up, securing commitments for 70% of its office space by quality tenants. The flex office business performance of our joint venture with the world's leading flex operator, IWG, also achieved steady growth and maintained high occupancy in the Greater Bay Area. New Frontier Group, our healthcare investment, maintained its growth momentum with business expansion during the year, including a strategic partnership with Hong Kong Investment Corporation to drive cross-border medical innovation in the Greater Bay Area. All of these contributions from our strategic pillars highlight our concerted efforts to identify growth opportunities under the new normal.

Differentiating our Retail Portfolio in the Post-Pandemic Era

The retail sector continued to face challenges during the year, including changes in tourist spending patterns and the northbound attraction. Yet we remain optimistic, as we expect tourist footfall and consumption to gradually recover, with the support from the Central Government's stimulus measures aimed at attracting tourists and improving sentiment towards asset markets.

Our portfolio's resilience stems from our deep roots in Hong Kong's domestic market. Over the years, we have been curating our low-rise neighbourhood with engaging content and activities focused on urban culture. Out of this century-long curation has emerged a vibrant and inclusive community that provides a unique backdrop to our portfolio with authenticity, contrast and diversity. Our very successful street festivals, the award-winning “Urban Jam” for instance, have supported Lee Gardens to become the favourite and regular “go-to place” for both locals and tourists.

Hysan Place, a centre of urban culture, is being updated in phases to the evolving needs of Hong Kong youth and visitors. Our first-phase renovation of Basement level 1 and 2 and 1/F to 3/F, completed in December 2024, introduced an exciting and refreshed curation of a wide range of concepts and brands that reinforces Hysan Place's position as a trendsetting destination in Hong Kong.

Maintaining our Resilience in a Competitive Office Market

Lee Gardens successfully maintained a stable occupancy rate for its office portfolio during the year due to a number of compelling factors. Our properties are conveniently located in a prime area of Hong Kong with the widest variety of offerings, highlighting premium building specifications with green and sustainable features. We also offer a broad range of high-quality retail, lifestyle and dining options, supported by property management services with high standards, across our Lee Gardens portfolio.

Our diversified tenant base helped our office portfolio remain resilient. The year saw thriving demand from a wider catchment area, with organic expansion from the co-working, wealth management, services and semi-retail sectors.

Confidence in the Future

We remain committed to financial discipline. Our focus on managing strong liquidity, strengthening the balance sheet, and maintaining access to the capital markets was recently underscored by securing HK\$8,000 million 4-year syndicated loan facilities from 20 leading international and local banks, ensuring ample resources for refinancing and working capital needs, as we continue to deliver sustainable long-term value.

We are confident that our multi-faceted development and enhancement plans will not only future-proof our portfolio but also open a new chapter in our growth story. Looking ahead with optimism and determination, we will continue to transform Lee Gardens where people come to work, live and enjoy, now and for generations to come.

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