



# 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 which is strategically planned and managed by passionate, responsible and forward-looking professionals.**

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## Summary

- **Turnover increased year-on-year by 5.1% while Recurring Underlying Profit decreased year-on-year by 0.7%.**
- **Retail turnover increased 10.8% year-on-year, as we see early results from the Lee Gardens Rejuvenation strategy. Further key openings will continue to be launched in the next 12 months.**
- **Office occupancy remained stable with continued efforts to diversify our tenant mix by leveraging our unique positioning. Rental pressure prevailed for the overall Hong Kong Grade A office market.**
- **Investments in the Pillars have started to contribute. Lee Gardens Shanghai made good progress, securing commitments for 70% of its office space by the end of the period.**
- **The Caroline Hill Road project is slated for completion in the second half of 2026. It features cutting-edge sustainability design, efficient floor plates, a 60,000 sq. ft. lifestyle park, and a performing arts and cultural centre designed to meet the evolving needs of corporate and commercial tenants.**
- **The Group maintained its first interim dividend of HK27 cents per share.**

## Results

		<b>Six months ended 30 June</b>			
		Notes	<b>2024</b>	2023	Change
Turnover	HK\$ million	1	<b>1,693</b>	1,611	+5.1%
Recurring Underlying Profit	HK\$ million	2	<b>1,019</b>	1,026	-0.7%
Underlying Profit	HK\$ million	3	<b>1,019</b>	1,026	-0.7%
Reported Profit	HK\$ million	4	<b>427</b>	190	n/m
Basic Earnings per Share	HK cent		<b>42</b>	19	n/m
First Interim Dividend per Share	HK cent		<b>27</b>	27	±0%
			<b>As at 30 June 2024</b>	As at 31 December 2023	
Shareholders' Funds	HK\$ million	5	<b>66,779</b>	67,182	-0.6%
Net Asset Value per Share	HK\$	6	<b>65.0</b>	65.4	-0.6%

n/m: not meaningful

**Notes:**

1. **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 period.
2. **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.
3. **Underlying Profit**, a non-HKFRS measure, is arrived at by adding (i) Reported Profit 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.
4. **Reported Profit** is the profit attributable to owners of the Company. It is prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance.
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.

## Chairman's Statement

The first half of 2024 saw a gradual improvement in Hong Kong's economy, following the resumption of normal travel last year. Hong Kong, a city known for its resilience and dynamism, is navigating a period of transition with evolving consumption patterns of tourists and residents. Nevertheless, we remain focused on addressing these complexities with strategic acumen and agility.

### The Journey of Transformation

We are leveraging the strengths of our core businesses and contributions from our strategic pillars. As retail and office trends evolve, we are reinventing our offerings starting with the rejuvenation of the Lee Gardens precinct that began two years ago.

A critical milestone in this rejuvenation journey is the transformation of Lee Gardens on Hysan Avenue, which includes the expansion of major luxury brands' flagship stores. Slated for completion, the rejuvenated Lee Garden One, Two, Three and Five will welcome more than ten newly renovated and expanded maison flagships, taking up 40% more space. Lee Gardens will be firmly established as the home of luxury brands, a new absolute attraction for both locals and visitors.

The Caroline Hill Road development, on track for completion in the second half of 2026, is another strategic move to reinforce our leading position in the area. It will expand our Lee Gardens portfolio by almost 30% in terms of area and will enrich our portfolio with additional assets, including a performing arts and cultural centre, built to the highest sustainability standards. An integrated pedestrian walkway system will be in place in 2026, connecting the Lee Gardens area from Caroline Hill Road to Hysan Place and the Causeway Bay MTR station for a more seamless working, shopping, dining and leisure experience.

Our strategic pillars continue to serve as new engines of growth to support our core operations. The Lee Gardens Shanghai secured commitments for 70% of its office space by the end of the first half of 2024, with quality tenants spanning across reputable financial institutions, luxury retailers and professional firms.

The flex office sector in the Greater Bay Area achieved steady growth and maintained high occupancy. Growing demand for flexible office solutions, which is now an integral part of the office ecosystem, accelerated the performance of our joint venture with the world's leading flex operator, IWG.

New Frontier Group, our healthcare investment, had solid performance and maintained its momentum of business expansion in the first half of 2024. New Frontier Group is now one of the leading operators in the growing premium healthcare services sector in Mainland China.

### Responding to Hong Kong's Retail Dynamics in the Post-Pandemic Era

Along with the growing number of visitor arrivals since the end of the pandemic, we have witnessed a significant shift in consumption patterns and spending behaviour among visitors to Hong Kong. Local consumers have also embraced new retail trends, and many have increased travel to Mainland China, attracted by appealing offerings.

With the reshaping of Hong Kong's retail landscape, industry players must innovate and deliver a more engaging experience that resonates with consumers' changing preferences.

We are continuously reinventing our offerings to cater to evolving needs of the youth of Hong Kong. Hot after the launch of the first indoor skateboard park at Hysan Place, our #URBANHOOD concept made its debut last Christmas, thus firmly establishing Hysan Place as the destination for young people, reinforcing our position as the trendsetter of urban culture.

## **Resilience in a Competitive Office Market**

While Hong Kong's capital market continues to recover, the city's office sector has become increasingly competitive as a result of softer demand and the volume of new office supply.

Lee Gardens continues to maintain a robust occupancy rate for its office portfolio during the period. This is due to our premium building specification across the portfolio, in particular our green and sustainable features, choices of high quality office facilities and the active curation of retail and dining offerings in the Lee Gardens ecosystem, supported by the quality property management services across our portfolio.

Tenants and customers find our commitment to sustainability and eco-friendly practices appealing. Our buildings in the Lee Gardens office portfolio, including Hysan Place – the first LEED Platinum-certified building in Hong Kong – have earned accolades under various renowned sustainability standards such as LEED, BEAM Plus and WELL. With our community business model emphasising “S”, the social element in ESG, we focus on placemaking, as well as physical, mental and social wellness.

We believe the market recognition of our brand, commitment and professional management will continue to draw new demand to our portfolio offerings in the years ahead. We are confident that the upcoming Caroline Hill Road Development, the Lee Gardens Rejuvenation programme and the new pedestrian walkway system will significantly strengthen our position as a favoured office destination in the heart of commercial Hong Kong.

## **Embracing the Future with Confidence**

With a longstanding legacy spanning a century, Hysan has been an integral part of Hong Kong's growth story and a major contributor to its prosperity. Hysan has demonstrated continuous reinventions and creativity in how it curates our area with contrast and diversity. The Lee Gardens precincts lead as a trendy, vibrant and upmarket integrated shopping and commercial neighborhood in Hong Kong, and this has been a result of our strong and disciplined execution, driven by our vision. As we remain prudent steering our way through the ongoing market complexities, we are confident that our multi-pronged development and enhancement will not only future-proof our portfolio but will open a new chapter in our growth story which will reinforce and sustain our long-term prospects.

Looking ahead with optimism and determination, we will continue to shape the future of Lee Gardens and contribute to the sustainable development of Hong Kong.

**Lee Irene Yun-Lien**

*Chairman*

Hong Kong, 23 August 2024

# Management's Discussion and Analysis

## Review of Results

In HK\$ million	Six months ended 30 June		
	2024	2023	Change
Turnover	<b>1,693</b>	1,611	+5.1%
– Retail	<b>844</b>	762	+10.8%
– Office	<b>744</b>	745	–0.1%
– Residential	<b>105</b>	104	+1.0%
Recurring Underlying Profit	<b>1,019</b>	1,026	–0.7%
Underlying Profit	<b>1,019</b>	1,026	–0.7%

Turnover saw a year-on-year increase of 5.1%. Recurring Underlying Profit and Underlying Profit experienced a year-on-year decline of 0.7%. Structural changes continued to put pressure on the office sector. With the completion of major enhancement works in Lee Garden One and basement of Hysan Place, our retail turnover saw a year-on-year improvement of 10.8%.

During the period, 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.

The Board of Directors has declared a first interim dividend of HK27 cents per share (2023: HK27 cents) which will be payable in cash.

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

	Six months ended 30 June	
	2024 HK\$ million	2023 HK\$ million
Reported profit	<b>427</b>	190
Change in fair value of properties	<b>209</b>	607
Investment properties	<b>197</b>	754
Less: Effect of other non-controlling interests	<b>4</b>	(144)
Share of associates (net of tax)	<b>8</b>	(3)
Impairment loss of a joint venture	<b>170</b>	–
Imputed interest income on interest-free loan to a joint venture	<b>–</b>	(24)
Other gains and losses	<b>(1)</b>	32
Profit attributable to perpetual capital securities holders	<b>214</b>	221
Recurring Underlying Profit/Underlying Profit	<b>1,019</b>	1,026

## Review of Operations

### Retail

Turnover in the Group's retail portfolio increased by 10.8% to HK\$844 million (2023: HK\$762 million). Turnover rent was HK\$72 million (2023: HK\$87 million). Retail occupancy was at 95% as at 30 June 2024 (31 December 2023: 97%). The rental reversion rate on renewals, rent reviews and new lettings was predominantly positive during the first half of 2024.

Retail sales in Hong Kong continued to face downward pressure during the period. Major contributing factors included changes in the consumption patterns of visitors and residents, coupled with strength of the Hong Kong dollar. Weak local consumption is expected to persist with challenges in attracting visitors, affected by competition from Japan with the weak yen and Hainan in Mainland China, coupled with the rising trend of Hong Kong residents heading north for shopping and leisure. Nonetheless, the government has been proactive in boosting retail market sentiment with promotional efforts, such as collaborating with us in the debut of the Urban Jam Festival in Causeway Bay during the period.

We strived for strengthened collaboration with our anchor tenants for better sales and shoppers' experience. The rejuvenation of Lee Gardens has made significant progress. Lee Garden One's transformation, which includes the expansion and renovation of major luxury brands' flagship stores, will be completed in stages with re-openings slated for the second half of 2024. The rejuvenation further positions Lee Gardens as home for luxury flagships and fine dining offerings, differentiating our uniqueness in the market to meet the evolving demand of locals and tourists.

Hysan Place's #URBANHOOD made its debut last Christmas. We have continued to refine our tenant mix and optimise store layouts to enhance the variety of our offerings. The transformation has reinforced Hysan Place's position as the trendsetter of urban culture.

Additionally, the forthcoming Caroline Hill Road Project, along with the pedestrian walkway system, will further the integration of Lee Gardens into a preferred destination of retail tenants.



## Marketing Initiatives and Loyalty Programmes

Under a challenging retail market, locals and tourists tend to be more price-conscious and see experiences of customer relationship management as decisive factors when shopping in Hong Kong. With various initiatives we have been undertaking at Lee Gardens, we are forging closer engagement with shoppers and providing better support to our tenants.

In the first half of 2024, Hysan implemented a variety of thematic marketing campaigns at the Lee Gardens Area. The five-day Urban Jam Festival in Causeway Bay was a vibrant celebration of cultural diversity. The event served as a convergence of the old and the new, blending local and international cultures to offer a range of captivating experiences, including cultural exhibitions, live barbering demonstrations, and artistic performances. The Lee Gardens Coffee Fest 2024 was another highlight of ours during the period, turning Pak Sha Road to a 20-stall market showcasing local and international brewers and serving as a gathering space for coffee lovers. Leveraging public spaces in the Lee Gardens Area, the two marketing campaigns have driven over half a million of organic traffic to the area.

During the Hong Kong Sevens, Hysan partnered with Cathay Pacific to organise the “Cathay x Hysan Place – HK7s” event zone on Kai Chiu Road featuring interactive games, live performances and enticing dining options, with successful traffic driven to our portfolio offerings.

The “Artistry in Bloom” Lunar New Year campaign, partnered with renowned floral illustrator Jess Phoenix to curate an enchanting installation inspired by symbolic festive flowers, provided visitors with a captivating experience. Targeting families with kids, the ten-day Easter ARTventure campaign offered a variety of workshops, where we introduced “Messy ARTventure”, the first-ever giant messy play initiative in Lee Gardens which had gained positive response from participants.

Apart from all the happenings on street level, our nearby hubs such as Hysan Place also served as an extension of the events and successfully drove sales. These events have effectively showcased the diverse nature of Lee Gardens to a wider range of audiences, positioning Lee Gardens as a must-visit destination for both locals and tourists.

With the launch of our new member App in the second quarter of 2024, we have been enhancing digital engagement with our members. Positive results were generated with sales from our Club Avenue members maintaining stable in the first half of the year, coupled with significant improvement in sales from our hy! members (the former Lee Gardens Club). We optimised welcoming offers with promotional campaigns to activate members' first spendings, which have successfully secured 60,000+ members registering to our database in 6 weeks.

## Office

In the first six months of 2024, turnover of the Group's office portfolio experienced a decline of 0.1% to HK\$744 million (2023: HK\$745 million).

In HK\$ million	Six months ended 30 June		
	2024	2023	Change
Office	<b>744</b>	745	-0.1%
– Hong Kong	<b>720</b>	741	-2.8%
– Mainland	<b>24</b>	4	n/m

## Hong Kong

During the first half of 2024, the turnover decreased by 2.8% to HK\$720 million, compared to HK\$741 million in 2023. This includes a turnover rent of HK\$4 million (2023: HK\$2 million).

Office leasing demand remained weak in Hong Kong during the first half of 2024. With abundant office supply and significant rental reduction, tenants have options among quality buildings in core districts at affordable rents. Landlords compete aggressively by rental or capital subsidies and other flexible terms.

The average rental reversion rate on renewals, rent reviews and new lettings for Hysan's Lee Gardens portfolio remained negative. Nevertheless, occupancy was maintained at a stable rate of 89% as at 30 June 2024 (31 December 2023: 89%).

As at 30 June 2024, the Banking, Finance and Wealth Management sector continued to occupy the largest share 22.1% (31 December 2023: 21.4%) of our tenant portfolio by floor area. The Co-work sector and Professional and Consulting sectors were second and third. Office demand from the medical and health sector has increased, which now occupies 8.6% (31 December 2023: 8.2%) of our floor area at the end of the period.

The completed renovation at the common area of Lee Garden One, Lee Garden Five and Lee Garden Six will enhance the image of Hysan's office portfolio, which we believe will continue to appeal to both multinational and local businesses alike.

### **Mainland**

Turnover of Mainland's office portfolio increased to HK\$24 million (2023: HK\$4 million), contributed by the improvement in occupancy to 34% (31 December 2023: 24%). Further details of our Mainland's office portfolio are disclosed in the Core Expansion & Strategic Pillars – Shanghai Investment Property – Lee Gardens Shanghai section.

### **Residential**

The increased demand from an influx of young professionals and graduates through various talent schemes had a positive impact on Hong Kong's mass residential leasing market. The luxury residential leasing market, however, continued to face challenges due to the lack of demand from expatriates.

Hysan's residential leasing portfolio turnover saw a 1.0% increase to HK\$105 million (2023: HK\$104 million). Occupancy was at 68% as at 30 June 2024 (31 December 2023: 60%). The average rental reversion in the sector was negative for renewals, rent reviews and new lettings.

## Core Expansion & Strategic Pillars

### Commercial Property Development – Caroline Hill Road Site

Superstructure works for the strategic Caroline Hill Road Project, a joint venture with Chinachem Group, are in satisfactory progress. The project is progressing on schedule for completion in 2026. This is an important milestone in our long-term growth plans and will reinforce the Lee Gardens precinct as one of Hong Kong's most unique destinations.

Adhering to our commitment to technological advancements, our Caroline Hill Road Project has won the prestigious Grand Award in the Construction for Building Project category at the Hong Kong openBIM/openGIS Awards 2024 organised by the Hong Kong Alliance of Built Asset & Environment Information Management Associations and the Hong Kong Chapter of buildingSMART International. It is a testament to our utilisation of innovative technologies to enhance efficiency and productivity in projects.

The Caroline Hill Road project is included under "investment properties" in our condensed 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, consists of 262 garden houses and apartments. As at 30 June 2024, a total of 102 units of the project have been contracted.

Following the lifting of property cooling measures in late February 2024, the residential sales market in Hong Kong experienced a surge in activity promptly after the government's move. As a result, 41 units of VILLA LUCCA were sold and leased in the first half of 2024, with approximately half of the transactions recorded in March 2024. However, the enthusiasm began to wane in May this year, hampered by a sluggish economy and high interest rates. The market continues to remain highly competitive with increasing supply. Despite market uncertainties, we will continue to adopt our competitive pricing strategy to boost transactions.

Hysan owns a 25% stake in a joint venture to develop the Urban Renewal Authority's residential project at Bailey Street/Wing Kwong Street in Kowloon's To Kwa Wan district for the mass residential market. With the approval of development plan in 2023, the foundation, excavation lateral support and pile caps works are in progress and slated for completion in the third quarter of 2024, followed by commencement of basement and superstructure construction.

The quality site will be redeveloped into three 24-storey buildings covering a total area of over 700,000 square feet. Hysan will apply our expertise to oversee the design and operation of the retail portion of the project.

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

### **Shanghai Investment Property – Lee Gardens Shanghai**

Lee Gardens Shanghai features approximately 0.7 million square feet of gross floor area for commercial activities, with 375 parking spaces available.

Enhancement work of the office tower completed in 2023, with tenants moving in since the first quarter of 2023. Enhancement work of the retail space is expected to be completed in 2024. With ongoing pre-leasing activities, tenants have been moving in since the first quarter of 2024. Opening of the retail space is slated for this year.

The investment is included under “investment properties” in our condensed consolidated statement of financial position.

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

This investment property, in which Hysan owns a 26% stake, demonstrated resilient performance despite impact in the post-COVID era. The investment is included in “investments in associates” under our condensed consolidated statement of financial position.

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

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

Increased demand for hybrid working has accelerated the performance and occupancy growth of our flexible workspace business. Our partnership with the world’s leading flexible workspace platform has given us confidence and optimism about our Greater Bay Area Flex.

The joint venture operates 36 centres across the Greater Bay Area. We are confident that our Greater Bay Area Flex will remain on a sustainable trend and continue to create value for the local communities.

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

### **Medical and Health – New Frontier Group**

New Frontier Group is a leading private healthcare services provider based in Mainland China that operates a system of acute hospitals, an online hospital, rehabilitation and geriatric hospitals, oncology centres, ambulatory centres, outpatient clinics, a home health network, doctor groups, training centres and health insurance services across the country.

It has seen steady business development with growth momentum, with two new hospitals opened in Beijing and Shanghai, respectively in the first quarter of 2024.

Hysan’s minority stake investment in New Frontier Group provides strategic exposure for the Group in 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 condensed consolidated statement of financial position.

## Financial Review

### 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 operating costs to turnover ratio decreased compared to last year's corresponding period, at 25.0% (2023: 25.4%).

### Finance Costs

Finance costs decreased to HK\$213 million, compared to HK\$231 million in the first half of 2023, as the Group capitalized the interest expense of funds used to finance its property development activities. The effective interest rate for the period was 4.4%, as compared to 3.9% in the same period 2023.

### Revaluation of Investment Properties

As at 30 June 2024, the investment properties of the Group were valued at HK\$96,535 million, an increase of 0.6% from HK\$96,005 million as at 31 December 2023.

The valuation of investment properties was carried out by Knight Frank Petty Limited, an independent professional valuer, based on open market value. A fair value loss on investment properties (after considering capital expenditure spent on the Group's investment properties) of HK\$197 million (2023: HK\$754 million) was recognized in the condensed consolidated statement of profit or loss for the period. This loss mainly reflects heightened market risk in the office sector weakened by continued global economic uncertainties.

### Investments in Associates and Joint Ventures

The Group's investments in associates are substantially represented by its interest in Shanghai Grand Gateway 66, a retail, office and residential complex, in Shanghai, China. The share of results of associates decreased to HK\$117 million (2023: HK\$146 million).

The Group's investment in joint venture represents interests in VILLA LUCCA in Tai Po, the To Kwa Wan residential project and the IWG Flex business. The share of losses in joint ventures was HK\$197 million, compared to share of profit of HK\$17 million in 2023. The loss mainly reflects impairment loss on properties held for development for sale in VILLA LUCCA in Tai Po.

## **Other Financial Investments**

The Group extended its geographical and business reach through certain strategic minority stake 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 the Mainland. As at 30 June 2024, other financial investments totalled HK\$1,633 million (31 December 2023: HK\$1,557 million).

## **Bank Deposits**

In addition to placing surplus funds as time deposits in banks with strong credit ratings, the Group also invested in investment grade debt securities.

The interest income decreased to HK\$95 million (2023: HK\$111 million), due to a decrease in the bank deposits placed.

## **Capital Expenditure**

Total cash outlay of capital expenditure increased to HK\$645 million during the interim period (2023: HK\$624 million). The capital expenditure during the period was mainly related to Caroline Hill Road project and 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.

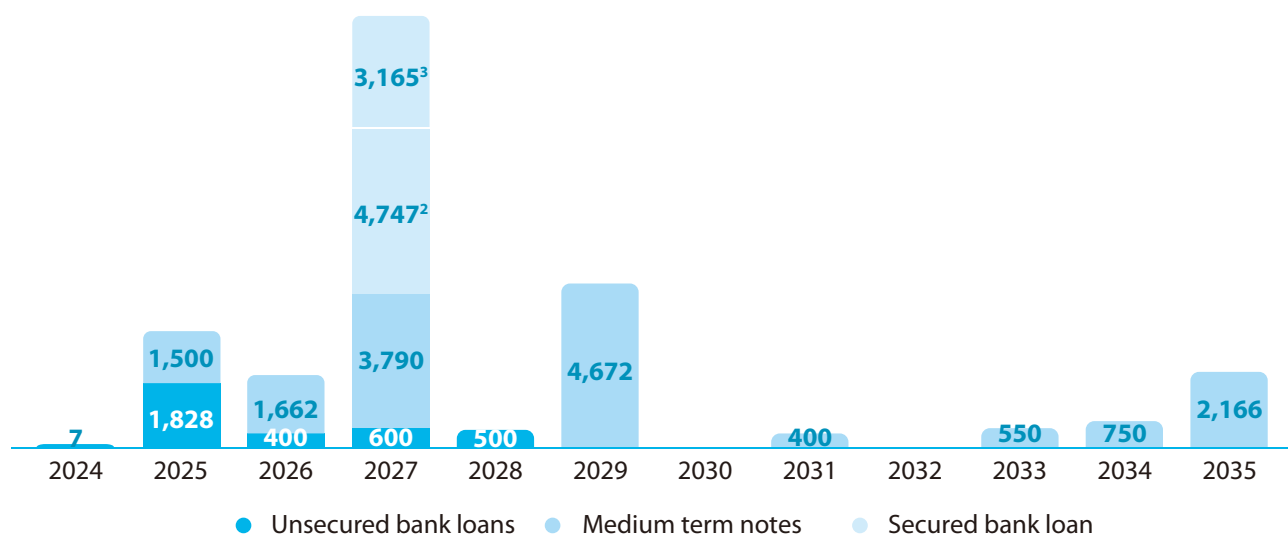
## Treasury Policy

### Capital Structure Management

To ensure a healthy financial position and a suitable capital structure servicing its financing needs and sustainable growth, the Group always strives to diversify its funding sources, and to maintain an appropriate debt maturity profile relative to the overall use of funds. The Group also aims to maintain adequate liquidity, keep a low borrowing margin relative to market conditions, and adopt suitable hedging and forex management strategies.

The Group's total Gross Debt<sup>1</sup> level as at 30 June 2024 was HK\$26,737 million (31 December 2023: HK\$25,717 million). The Group's average debt maturity as at 30 June 2024 was 3.9 years (31 December 2023: 4.5 years) and well spread over the coming 11 years. With the tremendous support from the banking community, the Group arranged a HK\$8,000 million 4-year syndicated loan in July 2024. Thus, the Group has adequate financing resources for its future funding requirements.

The following shows the debts maturity profile of the Group at 2024 interim period-end (in HK\$ million):



<sup>1</sup> The Gross Debt represents the contractual principal payment obligations as at 30 June 2024. However, in accordance with the Group's accounting policies, the debt is measured at amortized costs, using the effective interest method. As disclosed in the Group's condensed consolidated statement of financial position as at 30 June 2024, the book value of the outstanding debt of the Group was HK\$26,560 million (31 December 2023: HK\$25,564 million).

<sup>2</sup> 60% secured term loans of Caroline Hill Road project (guaranteed by Hysan).

<sup>3</sup> 40% secured term loans of Caroline Hill Road project (guaranteed by Chinachem Group).



As at 30 June 2024, bank loans accounted for approximately 42% of the Group's total Gross Debt, with the remaining 58% from capital market financing (31 December 2023: 39%: 61%).

The following table shows the Group's source of debt financing as at 30 June 2024 (in HK\$ million):

	<b>Available</b>	<b>Drawn</b>	<b>Undrawn</b>
Secured term loans <sup>4</sup>	12,951	7,912	5,039
Unsecured term loans	2,150	2,150	–
Committed revolving loans	6,969	1,100	5,869
Capital market issuances	15,491	15,491	–
<b>Total committed facilities</b>	<b>37,561</b>	<b>26,653</b>	<b>10,908</b>
Uncommitted revolving loans	2,694	84	2,610
<b>Total source of debts financing</b>	<b>40,255</b>	<b>26,737</b>	<b>13,518</b>

### Gearing Ratio and Net Interest Coverage

The Group's gearing ratio, as measured by Net Debt to Equity<sup>5</sup>, was 29.9% at interim period-end 2024 (31 December 2023: 27.2%). The Group's Net Interest Coverage<sup>6</sup> increased to 10.8 times for interim period-end 2024 (2023: 10.3 times).

### Credit Ratings

As at 30 June 2024, the Group's credit ratings were BBB+ from Fitch and Baa1 from Moody's respectively. The Group always keeps an active dialogue with credit rating agencies and aims at maintaining investment-grade credit ratings.

### Liquidity Management

As at 30 June 2024, the Group has cash and bank deposits totalling about HK\$3,057 million (31 December 2023: HK\$3,854 million). All deposits are placed with banks with strong credit ratings and counterparty risk is monitored on a regular basis. In order to preserve liquidity and enhance interest yields, the Group invested HK\$900 million (31 December 2023: HK\$994 million) in investment-grade debt securities.

Further liquidity, if needed, is available from the undrawn committed revolving facilities offered by the Group's relationship banks. These facilities amounted to HK\$5,869 million at 2024 interim period-end (31 December 2023: HK\$6,369 million), essentially allowing the Group to obtain additional liquidity as the need arose.

<sup>4</sup> Secured term loans represent the contractual principal payment obligations of the project financing of Caroline Hill Road project.

<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 expense before depreciation divided by net interest expenses after interest capitalization.

## **Interest Rate Management**

Interest expenses represent one of the key cost drivers of the Group's business. The Group monitors its interest rate exposure closely and adopts an appropriate hedging strategy in light of market conditions. The fixed rate debt ratio (after taking into account interest rate swap) at interim period-end 2024 was 58% (31 December 2023: 62%). The effective interest rate slightly increased to 4.4% at interim period-end 2024 from 4.2% at year-end 2023 which was mainly due to the increase of HIBOR.

## **Foreign Exchange Management**

The Group aims to achieve minimal currency exposure and does not speculate in currency movements for asset and liability management. The Group monitors and manages its foreign currency exposure, including USD and RMB, where appropriate, by applying systematic measures to mitigate foreign currency risk.

Majority of the Group's borrowings are denominated or hedged to HKD with limited exposure to foreign exchange risk.

## **Capital Management**

During the interim period of 2024, the Group had repurchased approximately US\$100 million subordinated guaranteed perpetual capital securities for a total consideration of HK\$728 million (2023: Nil).

# Report on Review of Condensed Consolidated Financial Statements



## **TO THE BOARD OF DIRECTORS OF HYSAN DEVELOPMENT COMPANY LIMITED**

希慎興業有限公司

*(Incorporated in Hong Kong with limited liability)*

### **Introduction**

We have reviewed the condensed consolidated financial statements of Hysan Development Company Limited (the “Company”) and its subsidiaries set out on pages 18 to 44, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### **Scope of Review**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

### **Deloitte Touche Tohmatsu**

Certified Public Accountants

Hong Kong

23 August 2024

## Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024 (unaudited)

	Notes	Six months ended 30 June	
		2024 HK\$ million	2023 HK\$ million
Turnover	3	<b>1,693</b>	1,611
Property expenses		<b>(286)</b>	(264)
Gross profit		<b>1,407</b>	1,347
Investment income		<b>94</b>	138
Other gains and losses		<b>1</b>	(32)
Administrative expenses		<b>(137)</b>	(145)
Finance costs	5	<b>(213)</b>	(231)
Change in fair value of investment properties		<b>(197)</b>	(754)
Share of results (include impairment loss) of:			
associates		<b>117</b>	146
joint ventures		<b>(197)</b>	17
Profit before taxation		<b>875</b>	486
Taxation	6	<b>(158)</b>	(153)
<b>Profit for the period</b>	7	<b>717</b>	333
Profit (loss) for the period attributable to:			
Owners of the Company		<b>427</b>	190
Perpetual capital securities holders		<b>214</b>	221
Other non-controlling interests		<b>76</b>	(78)
		<b>717</b>	333
<b>Earnings per share</b> (expressed in HK cents)			
Basic	8	<b>42</b>	19
Diluted	8	<b>42</b>	19

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024 (unaudited)

	Six months ended 30 June	
	2024 HK\$ million	2023 HK\$ million
<b>Profit for the period</b>	<b>717</b>	333
<b>Other comprehensive income (expenses)</b>		
<b><i>Items that will not be reclassified subsequently to profit or loss:</i></b>		
(Losses) gains on revaluation of properties held for own use (net of tax)	<b>(12)</b>	2
Change in fair value of equity instruments at fair value through other comprehensive income ("FVTOCI")	<b>69</b>	(94)
	<b>57</b>	(92)
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>		
Exchange difference on translation of subsidiaries	<b>(91)</b>	(164)
Net adjustments to hedging reserve	<b>24</b>	(65)
Share of translation reserve of an associate	<b>(39)</b>	(141)
	<b>(106)</b>	(370)
<b>Other comprehensive expenses for the period (net of tax)</b>	<b>(49)</b>	(462)
<b>Total comprehensive income (expenses) for the period</b>	<b>668</b>	(129)
Total comprehensive income (expenses) attributable to:		
Owners of the Company	<b>378</b>	(272)
Perpetual capital securities holders	<b>214</b>	221
Other non-controlling interests	<b>76</b>	(78)
	<b>668</b>	(129)

# Condensed Consolidated Statement of Financial Position

As at 30 June 2024 (unaudited)

	Notes	As at 30 June 2024 HK\$ million	As at 31 December 2023 HK\$ million (audited)
<b>Non-current assets</b>			
Investment properties	10	96,535	96,005
Property, plant and equipment		645	594
Investments in associates		5,566	5,488
Loans to associates		8	8
Investments in joint ventures		333	445
Loans to joint ventures		4,212	4,029
Other financial investments		1,633	1,557
Debt securities		580	900
Deferred tax assets		95	96
Other financial assets		195	198
Other receivables	11	1,132	954
		<b>110,934</b>	110,274
<b>Current assets</b>			
Accounts and other receivables	11	342	304
Debt securities		320	94
Other financial assets		8	–
Time deposits		1,351	1,271
Cash and cash equivalents		1,706	2,583
		<b>3,727</b>	4,252
<b>Current liabilities</b>			
Accounts payable and accruals	12	989	1,097
Deposits from tenants		360	352
Amounts due to non-controlling interests	13	199	199
Borrowings	14	2,030	158
Taxation payable		57	1
		<b>3,635</b>	1,807
<b>Net current assets</b>		<b>92</b>	2,445
<b>Total assets less current liabilities</b>		<b>111,026</b>	112,719

## Condensed Consolidated Statement of Financial Position *continued*

As at 30 June 2024 (unaudited)

	Notes	As at 30 June 2024 HK\$ million	As at 31 December 2023 HK\$ million (audited)
<b>Non-current liabilities</b>			
Amounts due to non-controlling interests	13	5,606	5,264
Borrowings	14	24,530	25,406
Other financial liabilities		558	576
Deposits from tenants		502	511
Deferred tax liabilities		1,305	1,271
		<b>32,501</b>	33,028
<b>Net assets</b>		<b>78,525</b>	79,691
<b>Capital and reserves</b>			
Share capital		7,723	7,723
Reserves		59,056	59,459
<b>Equity attributable to owners of the Company</b>		<b>66,779</b>	67,182
<b>Perpetual capital securities</b>	15	<b>9,437</b>	10,224
<b>Other non-controlling interests</b>		<b>2,309</b>	2,285
<b>Total equity</b>		<b>78,525</b>	79,691

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 (unaudited)

	Attributable to owners of the Company		
	Share capital HK\$ million	Share options reserve HK\$ million	General reserve HK\$ million
As at 1 January 2024 (audited)	<b>7,723</b>	<b>39</b>	<b>96</b>
Profit for the period	-	-	-
Exchange difference on translation of subsidiaries	-	-	-
Net gains arising from hedging instruments	-	-	-
Reclassification adjustments for net gains included in profit or loss	-	-	-
Loss on revaluation of properties held for own use (Note a)	-	-	-
Change in fair value of equity instruments at FVTOCI	-	-	-
Share of translation reserve of an associate	-	-	-
Total comprehensive income (expenses) for the period	-	-	-
Recognition of equity-settled share-based payments	-	<b>2</b>	-
Dividends paid during the period (note 9)	-	-	-
Distribution to perpetual capital securities holders (note 15)	-	-	-
Repurchase of perpetual capital securities (note 15)	-	-	-
<b>As at 30 June 2024 (unaudited)</b>	<b>7,723</b>	<b>41</b>	<b>96</b>
As at 1 January 2023 (audited)	7,723	36	96
Profit (loss) for the period	-	-	-
Exchange difference on translation of subsidiaries	-	-	-
Net losses arising from hedging instruments	-	-	-
Reclassification adjustments for net gains included in profit or loss	-	-	-
Gain on revaluation of properties held for own use (Note a)	-	-	-
Change in fair value of equity instruments at FVTOCI	-	-	-
Share of translation reserve of an associate	-	-	-
Total comprehensive (expenses) income for the period	-	-	-
Recognition of equity-settled share-based payments	-	2	-
Forfeiture of unclaimed dividend	-	-	-
Dividends paid during the period (note 9)	-	-	-
Distribution to perpetual capital securities holders (note 15)	-	-	-
As at 30 June 2023 (unaudited)	7,723	38	96

Note:

- (a) The Group's leasehold land and buildings classified as property, plant and equipment were revalued as at 30 June 2024 and 2023 by Knight Frank Petty Limited, an independent qualified professional valuer, on market value basis. The valuation was derived from the basis of capitalization of net income with due allowance for the reversionary income potential. The loss of HK\$12 million (2023: gain of HK\$2 million) arising on revaluation have been recognized and accumulated in properties revaluation reserve.



Attributable to owners of the Company

Investments revaluation reserve HK\$ million	Hedging reserve HK\$ million	Properties revaluation reserve HK\$ million	Translation reserve HK\$ million	Retained profits HK\$ million	Total HK\$ million	Perpetual capital securities HK\$ million	Other non- controlling interests HK\$ million	Total HK\$ million
<b>20</b>	<b>(401)</b>	<b>447</b>	<b>(489)</b>	<b>59,747</b>	<b>67,182</b>	<b>10,224</b>	<b>2,285</b>	<b>79,691</b>
-	-	-	-	427	427	214	76	717
-	-	-	(91)	-	(91)	-	-	(91)
-	27	-	-	-	27	-	-	27
-	(3)	-	-	-	(3)	-	-	(3)
-	-	(12)	-	-	(12)	-	-	(12)
69	-	-	-	-	69	-	-	69
-	-	-	(39)	-	(39)	-	-	(39)
<b>69</b>	<b>24</b>	<b>(12)</b>	<b>(130)</b>	<b>427</b>	<b>378</b>	<b>214</b>	<b>76</b>	<b>668</b>
-	-	-	-	-	2	-	-	2
-	-	-	-	(832)	(832)	-	(52)	(884)
-	-	-	-	-	-	(224)	-	(224)
-	-	-	-	49	49	(777)	-	(728)
<b>89</b>	<b>(377)</b>	<b>435</b>	<b>(619)</b>	<b>59,391</b>	<b>66,779</b>	<b>9,437</b>	<b>2,309</b>	<b>78,525</b>
278	(144)	452	(338)	62,097	70,200	10,224	2,987	83,411
-	-	-	-	190	190	221	(78)	333
-	-	-	(164)	-	(164)	-	-	(164)
-	(35)	-	-	-	(35)	-	-	(35)
-	(30)	-	-	-	(30)	-	-	(30)
-	-	2	-	-	2	-	-	2
(94)	-	-	-	-	(94)	-	-	(94)
-	-	-	(141)	-	(141)	-	-	(141)
(94)	(65)	2	(305)	190	(272)	221	(78)	(129)
-	-	-	-	-	2	-	-	2
-	-	-	-	1	1	-	-	1
-	-	-	-	(1,202)	(1,202)	-	(55)	(1,257)
-	-	-	-	-	-	(221)	-	(221)
184	(209)	454	(643)	61,086	68,729	10,224	2,854	81,807

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024 (unaudited)

	Six months ended 30 June	
	2024 HK\$ million	2023 HK\$ million
<b>Net cash from operating activities</b>	<b>1,070</b>	1,053
<b>Investing activities</b>		
Payments in respect of investment properties	(645)	(624)
Purchases of property, plant and equipment	(25)	(9)
Interest received	65	80
Proceeds upon maturity of debt securities	94	–
Proceeds upon maturity of time deposits with original maturity over three months	1,630	5,168
Additions to time deposits with original maturity over three months	(1,710)	(3,652)
Payments in respect of other financial investments	(7)	(25)
Repayment from an associate	–	2
Advances to joint ventures	(250)	(199)
<b>Net cash (used in) from investing activities</b>	<b>(848)</b>	741
<b>Financing activities</b>		
Payment for finance costs	(499)	(459)
Advance from non-controlling interest	230	–
Issuance of fixed rate notes	–	1,050
New bank loans	3,956	600
Repayment of fixed rate notes	(150)	(2,326)
Repayment of bank loans	(2,801)	(1,070)
Repurchase of perpetual capital securities	(728)	–
Repayment to non-controlling interests of a subsidiary	–	(4)
Dividends paid	(832)	(1,202)
Distribution paid to perpetual capital securities holders	(224)	(221)
Dividends paid to non-controlling interests of a subsidiary	(52)	(55)
<b>Net cash used in financing activities</b>	<b>(1,100)</b>	(3,687)
<b>Net decrease in cash and cash equivalents</b>	<b>(878)</b>	(1,893)
<b>Cash and cash equivalents as at 1 January</b>	<b>2,583</b>	2,560
<b>Effect of foreign exchange rate changes</b>	<b>1</b>	(1)
<b>Cash and cash equivalents as at 30 June</b>	<b>1,706</b>	666

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024 (unaudited)

## 1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31 December 2023 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.
- The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

## 2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed 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 appropriate.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2023.

The application of all the amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA are disclosed below.

## 2. PRINCIPAL ACCOUNTING POLICIES *continued*

### Application of new and amendments to HKFRSs

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 3. TURNOVER

Turnover represents gross rental income from leasing of investment properties and management fee income from provision of property management services for the period.

The Group's principal activities are property investment, management and development, and its turnover and results are principally 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 of each month of service period. Substantially all of the revenue from provision of property management services is recognised at the amount to which the Group has right to invoice which reflect the progress towards complete satisfaction of performance obligations satisfied over time. The categories for disaggregation of revenue from provision of property management services recognised over time in Hong Kong and Mainland are consistent with the segment disclosure under note 4.

## 4. 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

#### 4. 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 HK\$ million	Office HK\$ million	Residential HK\$ million	Property development HK\$ million	Consolidated HK\$ million
<b>For the six months ended 30 June 2024 (unaudited)</b>					
<b>Turnover</b>					
Leasing of investment properties	759	635	92	–	1,486
Provision of property management services	85	109	13	–	207
<b>Segment revenue</b>	<b>844</b>	<b>744</b>	<b>105</b>	<b>–</b>	<b>1,693</b>
Property expenses	(132)	(123)	(31)	–	(286)
<b>Segment gross profit</b>	<b>712</b>	<b>621</b>	<b>74</b>	<b>–</b>	<b>1,407</b>
Share of results a joint venture	–	–	–	(30)	(30)
<b>Segment profit (loss)</b>	<b>712</b>	<b>621</b>	<b>74</b>	<b>(30)</b>	<b>1,377</b>
Investment income					94
Other gains and losses					1
Administrative expenses					(137)
Finance costs					(213)
Change in fair value of investment properties					(197)
Impairment loss of a joint venture					(170)
Share of results of:					
associates					117
a joint venture					3
Profit before taxation					875

#### 4. SEGMENT INFORMATION *continued*

##### Segment turnover and results *continued*

	Retail HK\$ million	Office HK\$ million	Residential HK\$ million	Property development HK\$ million	Consolidated HK\$ million
<b>For the six months ended</b>					
<b>30 June 2023 (unaudited)</b>					
<b>Turnover</b>					
Leasing of investment properties	682	645	92	–	1,419
Provision of property management services	80	100	12	–	192
<b>Segment revenue</b>	762	745	104	–	1,611
Property expenses	(121)	(115)	(28)	–	(264)
<b>Segment gross profit</b>	641	630	76	–	1,347
Share of results a joint venture	–	–	–	25	25
<b>Segment profit</b>	641	630	76	25	1,372
Investment income					138
Other gains and losses					(32)
Administrative expenses					(145)
Finance costs					(231)
Change in fair value of investment properties					(754)
Share of results of: associates					146
a joint venture					(8)
Profit before taxation					486

All the segment turnover reported above is from external customers.

Segment profit represents the profit earned by each segment including share of results of a joint venture for investment in Tai Po residential project. Segment profit is reported without allocation of items not specifically attributed to individual reportable segments including investment income, other gains and losses, administrative expenses (including central administration costs and directors' emoluments), finance costs, change in fair value of investment properties, impairment loss of a joint venture 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.

#### 4. SEGMENT INFORMATION *continued*

##### Segment assets

The following is an analysis of the Group's assets by operating and reportable segment.

	Retail HK\$ million	Office HK\$ million	Residential HK\$ million	Property development HK\$ million	Consolidated HK\$ million
<b>As at 30 June 2024 (unaudited)</b>					
<b>Segment assets</b>	<b>33,125</b>	<b>34,844</b>	<b>8,669</b>	<b>24,174</b>	<b>100,812</b>
Investments in and loans to associates					5,574
Investment in a joint venture					331
Other financial investments					1,633
Other assets					6,311
Consolidated assets					<b>114,661</b>
<b>As at 31 December 2023 (audited)</b>					
<b>Segment assets</b>	32,520	35,695	8,658	23,336	100,209
Investments in and loans to associates					5,496
Investment in a joint venture					328
Other financial investments					1,557
Other assets					6,936
Consolidated assets					<b>114,526</b>

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, investment in a joint venture, other financial investments and other assets which include property, plant and equipment, debt securities, other financial assets, deferred tax asset, other receivables, time deposits and cash and cash equivalents.

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 results.

#### 4. SEGMENT INFORMATION *continued*

##### Segment assets *continued*

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 China of HK\$580 million (31 December 2023: HK\$602 million) and HK\$2,820 million (31 December 2023: HK\$2,962 million) respectively.

No segment liabilities analysis is presented as the Group's liabilities are monitored on a group basis.

#### 5. FINANCE COSTS

	Six months ended 30 June	
	2024 HK\$ million	2023 HK\$ million
Finance costs comprise:		
Interest on bank loans	299	216
Interest on fixed rate notes	286	278
Imputed interest on amounts due to non-controlling interests	23	22
Total interest expenses	608	516
Other finance costs	22	35
Less: amounts capitalized (Note)	(395)	(302)
	235	249
Net exchange (gains) losses on borrowings	(20)	11
Reclassification of net gains from hedging reserve on financial instruments designated as cash flow hedges	(3)	(30)
Medium Term Note Programme expenses	1	1
	213	231

Note:

During the period, interest expenses have been capitalized to investment properties at an average capitalization rate of 4.0% (2023: 3.1%) per annum.



## 6. TAXATION

	Six months ended 30 June	
	2024 HK\$ million	2023 HK\$ million
Current tax		
Hong Kong Profits Tax		
– current period	121	115
Deferred tax	37	38
	<b>158</b>	153

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

## 7. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2024 HK\$ million	2023 HK\$ million
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	17	17
Gross rental income from investment properties including rentals received with reference to turnover of tenants of HK\$76 million (2023: HK\$89 million)	(1,486)	(1,419)
Interest income (included in investment income)	(95)	(111)
Imputed interest income on interest-free loan to a joint venture (included in investment income)	–	(24)
Staff costs (including directors' emoluments)	164	165
Share of income tax of associates (included in share of results of associates)	51	60

## 8. 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:

	<b>Earnings</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$ million</b>	HK\$ million
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the period attributable to owners of the Company	<b>427</b>	190
	<b>Number of shares</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<b>1,027,008,223</b>	1,027,008,223
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	–	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<b>1,027,008,223</b>	1,027,008,223

The computation of diluted earnings per share does not assume the exercise of all (2023: all) of the Company's outstanding share options as the exercise prices of those options were higher than the average market price for shares.

## 9. DIVIDENDS

### (a) Dividends recognized as distribution during the period:

	Six months ended 30 June	
	2024 HK\$ million	2023 HK\$ million
2023 second interim dividend paid – HK81 cents per share	832	–
2022 second interim dividend paid – HK117 cents per share	–	1,202
	<b>832</b>	1,202

### (b) Dividends declared after the end of the reporting period:

	Six months ended 30 June	
	2024 HK\$ million	2023 HK\$ million
First interim dividend declared – HK27 cents per share (2023: HK27 cents per share)	277	277

The first interim dividend for 2024 is not recognized as a liability as at 30 June 2024 because it has been declared after the end of the reporting period. It will be payable in cash.

## 10. INVESTMENT PROPERTIES

	<b>Fair value HK\$ million</b>
As at 1 January 2024	96,005
Additions	876
Transfer to property, plant and equipment, net	(58)
Change in fair value recognized in profit or loss – unrealized	(197)
Exchange difference	(91)
<b>As at 30 June 2024</b>	<b>96,535</b>

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 30 June 2024 and 31 December 2023 and as at the date of transfer to property, plant and equipment from investment properties 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 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.

There has been no change to the valuation technique during the period for completed properties and properties under development in Hong Kong and Mainland China.

## 10. INVESTMENT PROPERTIES *continued*

### 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.

As at 30 June 2024, the aggregate fair value of certain investment properties in Hong Kong pledged as securities for the Group's borrowings amounted to HK\$19,960 million (31 December 2023: HK\$19,190 million).

### Investment properties in Mainland

Income capitalization approach – discounted cash flow (“DCF”) analysis was adopted for the valuation of such completed investment properties in Mainland China. 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 capitalized at an appropriate yield.

## 11. ACCOUNTS AND OTHER RECEIVABLES

	<b>As at 30 June 2024 HK\$ million</b>	As at 31 December 2023 HK\$ million
Accounts receivable	<b>63</b>	58
Interest receivable	<b>47</b>	55
Prepayments in respect of investment properties	<b>821</b>	721
Other receivables and prepayments	<b>543</b>	424
<b>Total</b>	<b>1,474</b>	1,258
Analysed for reporting purposes as:		
Current assets	<b>342</b>	304
Non-current assets	<b>1,132</b>	954
	<b>1,474</b>	1,258

The following is an ageing analysis of accounts receivable (net of allowance for credit losses) at the end of the reporting period. Accounts receivable mainly includes rents from leasing of investment properties, which are normally received in advance.

	<b>As at 30 June 2024 HK\$ million</b>	As at 31 December 2023 HK\$ million
Less than 30 days	<b>34</b>	31
31-90 days	<b>13</b>	16
Over 90 days	<b>16</b>	11
	<b>63</b>	58

## 12. ACCOUNTS PAYABLE AND ACCRUALS

	<b>As at 30 June 2024 HK\$ million</b>	As at 31 December 2023 HK\$ million
Accounts payable	<b>254</b>	289
Interest payable	<b>68</b>	80
Other payables	<b>667</b>	728
	<b>989</b>	1,097

As at 30 June 2024, accounts payable of the Group with carrying amount of HK\$126 million (31 December 2023: HK\$168 million) were aged less than 90 days.

## 13. AMOUNTS DUE TO NON-CONTROLLING INTERESTS

	<b>As at 30 June 2024 HK\$ million</b>	As at 31 December 2023 HK\$ million
Current (Note a)	<b>199</b>	199
Non-current (Note b)	<b>5,606</b>	5,264
	<b>5,805</b>	5,463

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.

## 14. BORROWINGS

The analysis of the carrying amounts of borrowings is as follows:

	Current		Non-Current	
	As at 30 June 2024 HK\$ million	As at 31 December 2023 HK\$ million	As at 30 June 2024 HK\$ million	As at 31 December 2023 HK\$ million
Secured bank loans	–	–	7,862	7,852
Unsecured bank loans	1,032	8	2,296	2,163
Unsecured fixed rate notes	998	150	14,372	15,391
	<b>2,030</b>	158	<b>24,530</b>	25,406

## 15. 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 “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.

Distribution on the Subordinated Securities and Senior 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 and 25 August 2023 respectively, at their principal amounts together with any distribution accrued to such date.

The Securities are classified as equity and initially recognized at the proceeds received in the condensed consolidated financial statements of the Group.

During the period ended 30 June 2024, the Group had repurchased Subordinated Securities with principal amount of HK\$777 million with cash consideration of HK\$728 million.



## 16. COMMITMENTS

As at 30 June 2024 and 31 December 2023, the Group had the following commitments in respect of its investment properties, property, plant and equipment and subscription to a fund investment as a limited partner:

	<b>As at 30 June 2024 HK\$ million</b>	As at 31 December 2023 HK\$ million
(a) Capital commitment:		
Contracted but not provided for investment properties and property, plant and equipment	<b>4,652</b>	5,527
(b) Other commitment:		
Subscription to a fund investment as a limited partner	<b>6</b>	8

## 17. RELATED PARTY TRANSACTIONS AND BALANCES

### (a) Transactions and balances with related parties

During the period, the Group has transaction with related party including imputed interest expense on interest-free amounts due to non-controlling interests as disclosed in notes 5 and 13. The imputed interest expense arising from the amounts due to non-controlling interests during the period has been fully capitalized into investment properties under development. The interest income on loans to joint ventures during the period is amounted to HK\$18 million (2023: HK\$17 million). At the end of the reporting period, the Group has several balances with related parties including loans to joint ventures and loans to associates as disclosed in the condensed consolidated statement of financial position. The Group has also granted guarantees to banks for facilities granted to a joint venture. The non-controlling interest of a subsidiary has granted guarantee to banks in relation to the Group's secured bank loan as disclosed in note 14.

## 17. RELATED PARTY TRANSACTIONS AND BALANCES *continued*

### (a) Transactions and balances with related parties *continued*

In addition, the Group has the following transactions with other related parties during the period and has the following balances with them at the end of the reporting period:

	Gross rental income received from		Amounts due to non-controlling interests	
	Six months ended 30 June 2024 HK\$ million	Six months ended 30 June 2023 HK\$ million	As at 30 June 2024 HK\$ million	As at 31 December 2023 HK\$ million
Related companies controlled by the Directors of the Company (Note a)	18	23	–	57
Non-controlling shareholder of subsidiaries (Note b(i) & (ii))	14	9	5,805	5,406
Joint venture and associate (Note c)	37	33	–	–

Notes:

- (a) The sum of transactions represents the aggregate gross rental income received from related companies where Jebsen Hans Michael, the former Director 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 Limited (“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 Patchway Holding Limited (“Patchway”) by Coastday Limited and Barrowgate by Imenson and Jebsen Capital Limited, as shareholder loans in proportion to its shareholding in Patchway and Barrowgate 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.

## 17. RELATED PARTY TRANSACTIONS AND BALANCES *continued*

### (b) Compensation of key management personnel

The remuneration of Directors and other members of senior management of the Group are as follows:

	Six months ended 30 June	
	2024 HK\$ million	2023 HK\$ million
Directors' fees, salaries and other short-term employee benefits	26	28
Share-based payments	1	2
Retirement benefits scheme contributions	–	–
	<b>27</b>	30

The remuneration of the Directors and senior management is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

## 18. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

### (a) Financial risk management

The Group's financial risk management objectives and policies are the same as those disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2023.

### (b) Fair value measurements

#### (i) **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 condensed consolidated financial statements approximate their fair values, except for the carrying amount of HK\$15,370 million (31 December 2023: HK\$15,541 million) unsecured fixed rate notes (including interest payable) with fair value of HK\$13,861 million (31 December 2023: HK\$14,081 million).

The fair value of HK\$7,640 million (31 December 2023: HK\$7,660 million) of the unsecured fixed rate notes is categorized into Level 1 of the fair value hierarchy, in which the fair value was quoted prices in an active market translated at the spot foreign exchange rate of the respective currency at period end.

The fair value of HK\$6,221 million (31 December 2023: HK\$6,421 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.

## 18. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *continued*

### (b) Fair value measurements *continued*

#### (ii) **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.

- Level 1: fair value measurements are based on 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 with 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 that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	As at 30 June 2024			Total HK\$ million
	Level 1 HK\$ million	Level 2 HK\$ million	Level 3 HK\$ million	
<b>Financial assets</b>				
<b>Financial assets at FVTPL</b>				
Unlisted club debenture	–	1	–	1
Fund investment	–	–	99	99
<b>Financial assets at FVTOCI</b>				
Unlisted investments in equity securities	–	–	1,534	1,534
<b>Derivatives under hedge accounting</b>				
Cross currency swaps	–	191	–	191
Interest rate swaps	–	11	–	11
<b>Total</b>	–	203	1,633	1,836
<b>Financial liabilities</b>				
<b>Derivatives under hedge accounting</b>				
Cross currency swaps	–	293	–	293
Interest rate swaps	–	265	–	265
<b>Total</b>	–	558	–	558

## 18. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *continued*

### (b) Fair value measurements *continued*

#### (ii) **Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis** *continued*

	As at 31 December 2023			Total HK\$ million
	Level 1 HK\$ million	Level 2 HK\$ million	Level 3 HK\$ million	
<b>Financial assets</b>				
<b>Financial assets at FVTPL</b>				
Unlisted club debenture	–	1	–	1
Fund investment	–	–	97	97
<b>Financial assets at FVTOCI</b>				
Unlisted investments in equity securities	–	–	1,460	1,460
<b>Derivatives under hedge accounting</b>				
Cross currency swaps	–	187	–	187
Interest rate swaps	–	10	–	10
<b>Total</b>	–	198	1,557	1,755
<b>Financial liabilities</b>				
<b>Derivatives under hedge accounting</b>				
Cross currency swaps	–	312	–	312
Interest rate swaps	–	264	–	264
<b>Total</b>	–	576	–	576

## 18. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *continued*

### (b) Fair value measurements *continued*

#### (iii) Reconciliation of Level 3 fair value measurements of financial asset

	Fund investment HK\$ million	Unlisted investments in equity securities HK\$ million
As at 1 January 2024	97	1,460
Addition	2	5
Fair value gain recognized in other comprehensive income	–	69
<b>As at 30 June 2024</b>	<b>99</b>	<b>1,534</b>

There was no transfer among Levels 1, 2 and 3 during the six months ended 30 June 2024.

#### (iv) Valuation techniques and inputs used in fair value measurements

Cross currency 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.

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 the quoted interest rates.

Financial assets grouped in Level 3 are measured with reference to underlying assets and liabilities as at the end of the reporting period and other valuation techniques including discounted cash flows or market approach, taking into account different multiples such as price per earnings 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 investments in equity securities, vice versa.

#### (v) Valuation process of Level 3 fair value measurements of financial asset

At the end of the reporting period, the management of the Group obtains the valuation techniques and inputs for fair value measurements in relation to the financial assets grouped in Level 3 and their underlying assets and liabilities, where appropriate. The management of the Group also engages independent qualified professional valuer to perform valuation for investments in equity securities when necessary. 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.

# Corporate Governance

## Compliance with Corporate Governance Code

The board of directors (the “Board”) and management of Hysan Development Company Limited (the “Company” or “Hysan”, together with its subsidiaries, the “Group”) are committed to maintaining high standards of corporate governance. The Board has adopted a Corporate Governance Guideline to provide guidance on how corporate governance principles are applied to the Company. In addition to complying with applicable statutory requirements, the Group aims to continually review and enhance the corporate governance practices of the Group in the light of local and international best practices.

During the six months ended 30 June 2024 (the “Review Period”), the Company fully complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Further information on Hysan’s corporate governance practices is available at the Company’s website: [www.hysan.com.hk/governance](http://www.hysan.com.hk/governance).

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “Model Code”) as its own code of conduct regarding the securities transactions of the directors of the Company (the “Directors”). All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in the Model Code throughout the Review Period.

## Highlights for the first half of 2024

Hysan embraces good corporate governance as one of its core values and the foundation of achieving consistent and sustainable performance. We have been continuously seeking opportunities to enhance our corporate governance practices during the Review Period:

- **Hybrid Annual General Meeting:** the annual general meeting of the Company (“AGM”) held on 5 June 2024 (“2024 AGM”) was in a hybrid format, allowing shareholders of the Company (“Shareholders”) to attend the meeting in person at a principal meeting place or to join via the live online webcast system (“Online AGM”). Holding hybrid AGMs promotes inclusivity, engagement and transparency, facilitates Shareholders’ participation by providing convenient access overcoming geographical constraints and space limitations and protects Shareholders’ right to attend general meetings. The Online AGM enabled the Shareholders to participate in the 2024 AGM from anywhere with an internet connection and to meet with the Board, the senior management and auditors of the Company as if they were attending in person. This arrangement has also broadened the reach of the AGM and provided flexibility to our Shareholders who do not wish to attend in person or for other overseas Shareholders who are unable to attend in person.

## Highlights for the first half of 2024 *continued*

- **Board and Board Committees Refreshment:** At the 2024 AGM, Mr. Fan Yan Hok Philip (“Mr. Fan”) retired as an Independent Non-Executive Director after having served on the Board for more than 14 years. On the same day, Mr. Fan also stepped down as the chairman of the remuneration committee of the Company (the “Remuneration Committee”) and ceased to be a member of the audit and risk management committee of the Company (the “Audit and Risk Management Committee”). Following the retirement of Mr. Fan, Ms. Chung Cordelia was re-designated as the chairman of the Remuneration Committee and Ms. Young Elaine Carole was appointed as a member of the Remuneration Committee. Details of the Board Committees refreshment are set out on P.47 of this report. The Board refreshment has refreshed the average tenure of Directors and increased the percentage of female Board representation of the Company (from 36.4% to 40%).
- **Amendment of the Articles of Association of the Company (the “Articles”):** Amendments to the Articles (“Amendments”) which, among other things, allow the Company to have the flexibility to hold a general meeting with the use of virtual meeting technology (i.e. virtual general meeting) were approved and adopted at the 2024 AGM. The Amendments are intended to align with the latest Companies Ordinance, as amended by the Companies (Amendment) Ordinance 2023 which comes into operation on 28 April 2023. The Amendments provide flexibility to the Company in relation to the conduct of general meetings, allow the Company to deal with their corporate affairs more efficiently, facilitate Shareholders’ participation by providing convenient access for all Shareholders overcoming geographical constraints and space limitations, and are therefore beneficial to the Company and the Shareholders as a whole.

## Our Board and Board Committees

### Board

As at 30 June 2024 and up to the date of this 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\*\*

Poon Chung Yin Joseph\*\*

Wong Ching Ying Belinda\*\*

Young Elaine Carole\*\*

Lee Anthony Hsien Pin\* (*Lee Irene Yun-Lien as his alternate*)

Lee Chien\*

Lee Tze Hau Michael\*

\* Non-Executive Director

\*\* Independent Non-Executive Director

Mr. Lui Kon Wai, Ms. Chung Cordelia, Mr. Poon Chung Yin Joseph and Ms. Wong Ching Ying Belinda who stood for re-election at the 2024 AGM were re-elected with the approval of the Shareholders.

Mr. Fan retired as an Independent Non-Executive Director with effect from the conclusion of the 2024 AGM.



## **Our Board and Board Committees** *continued*

### **Board Committees**

Changes to the composition of Board Committees during the Review Period are set out below:

With effect from the conclusion of the 2024 AGM:

- Mr. Fan ceased to be the chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee upon his retirement as an Independent Non-Executive Director.
- Ms. Chung Cordelia was re-designated as the chairman of the Remuneration Committee.
- Ms. Young Elaine Carole was appointed as a member of the Remuneration Committee.

The composition of our Board Committees as at 30 June 2024 and up to the date of this report is set out in the section “Corporate Information” of this report.

### **Risk Management and Internal Control**

Details of Hysan’s risk management and internal control systems were set out in the “Risk Management and Internal Control Report” on pages 89 to 97 of the Company’s 2023 Annual Report.

The Audit and Risk Management Committee continued to review the Company’s risk management and internal control systems, as well as the internal audit reports for the six months ended 30 June 2024 as submitted by the Internal Audit Department of the Company.

### **Updated Information on Directors Pursuant to Rule 13.51B(1) of the Listing Rules**

#### **Directors’ Updated Biographical Details**

Save for the changes to the Directors’ other major offices as set out below, since the Company’s 2023 Annual Report there has not been any change in the information of the Directors that is required to be disclosed under Rule 13.51B(1) to the Listing Rules:

- Ms. Lee Irene Yun-Lien was appointed as a member of the Board of Trustees of The Better Hong Kong Foundation with effect from 19 June 2024.
- Ms. Lee Irene Yun-Lien retired as a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority with effect from 30 April 2024.
- Ms. Chung Cordelia was appointed as an independent non-executive director of HKSTP Foundation Limited with effect from 10 May 2024.

The biographical details of the Directors are available at the Company’s website: [www.hysan.com.hk/about/leadership](http://www.hysan.com.hk/about/leadership).

## Updated Information on Directors Pursuant to Rule 13.51B(1) of the Listing Rules *continued*

### Executive Directors' and Senior Management's Emoluments

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

The following principles of remuneration for Executive Directors 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 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 pool of talents, 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 Executive Directors 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

---

##### Fixed compensation

Base salary and allowances

- Market trends (increments in line with general and real estate industry norms)
- Market benchmarks relevant to role and job scope
- Company performance (with reference to the Group's turnover growth, occupancy rate, property expenses ratio, underlying profit, etc.)
- 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.)

## Updated Information on Directors Pursuant to Rule 13.51B(1) of the Listing Rules *continued*

### Executive Directors' and Senior Management's Emoluments *continued*

Components	Determining Factors
<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>• Individual performance and potential, as well as long-term contribution<sup>Note 2</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</li></ul>

Notes:

1. Employees are required to undergo mid-year and annual performance appraisal, 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 assessment on the achievement of performance targets and behavioural competencies that align with the Group's long-term strategy, corporate culture and core values culminates in an individual performance rating which will determine the fixed and variable compensation outcomes.
2. Aiming to incentivize 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.

In February 2024, 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 recommended and approved that their 2024 annual fixed base salaries should be HK\$8,240,000, and HK\$5,953,000 respectively, and with 2023 performance-based bonus amounts of HK\$12,360,000 and HK\$6,048,000, respectively (see pages 105 to 113 and 160 of the Company's 2023 Annual Report).

## Updated Information on Directors Pursuant to Rule 13.51B(1) of the Listing Rules *continued*

### Remuneration Policy for Non-Executive Directors and Independent Non-Executive Directors

The fees payable to Non-Executive Directors and Independent Non-Executive Directors are reviewed annually, taking into account 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; as well as the fees offered for similar positions in companies requiring the same talents.

In February 2024, the Remuneration Committee agreed that the director fees payable to the Non-Executive Directors and Independent Non-Executive Directors shall be maintained at the same level as set out below (see pages 105 to 113 of the Company's 2023 Annual Report):

	<b>Per annum</b> HK\$
<b>Board</b>	
Non-Executive Director and Independent Non-Executive Director	280,000
<b>Audit and Risk Management Committee</b>	
Chairman	180,000
Member	108,000
<b>Remuneration Committee</b>	
Chairman	75,000
Member	45,000
<b>Nomination Committee</b>	
Chairman	50,000
Member	30,000
<b>Sustainability Committee</b>	
Chairman	50,000
Member	30,000

## Directors' Interests in Shares

As at 30 June 2024, 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 of Hong Kong Limited (the "Stock Exchange") pursuant to 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	559,100	–	–	–	–	559,100	0.054
Lui Kon Wai	100	–	–	–	–	100	0.000010
Young Elaine Carole	11,000	–	–	–	–	11,000	0.001
Lee Chien	1,100,000	98,000	–	–	–	1,198,000	0.116

Note:

The percentages were computed based on the total number of issued shares of the Company as at 30 June 2024 (i.e. 1,027,008,223 ordinary shares).

Executive Directors 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 headed "Long-term incentives: Share Schemes" below for details. These constitute interests in underlying shares of equity derivatives of the Company under the SFO.

Apart from the above, as at 30 June 2024, 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.

## Directors' Interests in Shares *continued*

### 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 purpose of such schemes is to strengthen the connection between individual employees and Shareholders' interests. The power to grant options to the Executive Directors is vested in the Remuneration Committee, with endorsement by all Independent Non-Executive Directors being required under the Listing Rules. The Chairman may grant options to management staff below the Executive Director level.

#### **The 2005 Share Option Scheme**

The Company adopted the 2005 Share Option Scheme at its AGM held on 10 May 2005, which had a term of 10 years and expired on 9 May 2015. All outstanding options granted under the 2005 Share Option Scheme will continue to be valid and exercisable in accordance with the provisions of the 2005 Share Option Scheme. 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 at its AGM held on 15 May 2015, which has a term of 10 years and will expire on 14 May 2025. The terms of the 2015 Share Option Scheme are substantially the same as those of the 2005 Share Option Scheme.

#### **Movements of share options during the Review Period**

Since the 2005 Share Option Scheme expired on 9 May 2015, no option was granted under the 2005 Share Option Scheme during the Review Period.

The number of options available for grant under the scheme mandate limit of the 2015 Share Option Scheme at the beginning and the end of the Review Period were 98,579,673 and 98,655,673 respectively. During the Review Period, no share options were granted under the 2015 Share Option Scheme.

As at 30 June 2024:

- share options exercisable into a total of 347,000 ordinary shares of the Company ("Shares") granted and fully-vested under the 2005 Share Option Scheme remained outstanding, representing approximately 0.03% of the total number of issued shares of the Company;
- share options exercisable into a total of 7,310,067 Shares (including fully-vested share options exercisable into 6,687,393 Shares) granted under the 2015 Share Option Scheme remained outstanding, representing approximately 0.71% of the total number of issued shares of the Company; and
- 98,655,673 Shares remained issuable under the 2015 Share Option Scheme, representing approximately 9.61% of the total number of issued shares of the Company.

## Directors' Interests in Shares *continued*

### Long-term incentives: Share Schemes *continued*

#### **Movements of share options during the Review Period** *continued*

Details of options granted, exercised, cancelled/lapsed and outstanding under the 2005 Share Option Scheme and the 2015 Share Option Scheme during the Review Period are as follows:

Name	Date of Grant	Exercise price HK\$	Exercise period (Note a)	Balance as at 1.1.2024	Changes during the Review Period			Balance as at 30.06.2024
					Granted	Exercised	Cancelled/lapsed (Note b)	
<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	–	–	–	47,000
				708,000	–	–	(361,000)	347,000

Name	Date of Grant	Exercise price HK\$	Exercise Period (Note a)	Balance as at 1.1.2024	Changes during the Review Period			Balance as at 30.06.2024
					Granted	Exercised	Cancelled/lapsed (Note 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	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

## Directors' Interests in Shares *continued*

### Long-term incentives: Share Schemes *continued*

#### **Movements of share options during the Review Period** *continued*

Name	Date of Grant	Exercise price HK\$	Exercise Period (Note a)	Balance as at 1.1.2024	Changes during the Review Period			Balance as at 30.06.2024
					Granted	Exercised	Cancelled/lapsed (Note b)	
Other employee participants	31.3.2016	33.05	31.3.2017 – 30.3.2026	85,000	–	–	–	85,000
	31.3.2017	35.33	31.3.2018 – 30.3.2027	178,667	–	–	–	178,667
	29.3.2018	41.50	29.3.2019 – 28.3.2028	214,000	–	–	–	214,000
	29.3.2019	42.05	29.3.2020 – 28.3.2029	330,000	–	–	(2,000)	328,000
	31.3.2020	25.20	31.3.2021 – 30.3.2030	403,000	–	–	(12,000)	391,000
	31.3.2021	30.40	31.3.2022 – 30.3.2031	490,000	–	–	(12,000)	478,000
	31.3.2022	23.36	31.3.2023 – 30.3.2032	699,000	–	–	(50,000)	649,000
				7,386,067	–	–	(76,000)	7,310,067

Notes:

- (a) 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.
- (b) Options lapsed during the Review Period in accordance with the rules of the 2005 Share Option Scheme and 2015 Share Option Scheme.

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

#### **The 2024 Share Award Scheme**

The Company had on 19 January 2024 (the "Adoption Date") adopted the 2024 Share Award Scheme, in which employees may be selected by the Board to participate. 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 ensure performance achievement and drive culture of excellence; and (iii) instill culture of accountability, engagement and sense of ownership to the Group.

Pursuant to the 2024 Share Award Scheme, 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.



## Directors' Interests in Shares *continued*

### Long-term incentives: Share Schemes *continued*

#### The 2024 Share Award Scheme *continued*

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. The maximum number of Awarded Shares that may be granted 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).

During the Review Period, there was no purchase by the trustee of the 2024 Share Award Scheme on the Stock Exchange or by any other means for the purpose of the 2024 Share Award Scheme.

Since the Adoption Date and up to 30 June 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. As at 30 June 2024, 19,123,259 Shares are available for grant under the 2024 Share Award Scheme.

Movements in the Awarded Shares during the Relevant Period are set out below:

Name	Date of Grant	Fair Value per Awarded Share HK\$ (Note a)	Vesting period (Note b)	Changes during the Review Period			Unvested as at 30.06.2024
				Granted (Note b)	Vested	Cancelled/ lapsed	
<b>2024 Share Award Scheme</b>							
<b>Executive Directors</b>							
Lee Irene Yun-Lien	1.4.2024	12.62	1.4.2025 – 1.4.2027	463,369 <sup>(Note c)</sup>	–	–	463,369
Lui Kon Wai	1.4.2024	12.62	1.4.2025 – 1.4.2027	269,925 <sup>(Note d)</sup>	–	–	269,925
<b>Five highest paid individuals (excluding the Executive Directors) during the Relevant Period ("Five Highest Paid Individuals")</b>							
	1.4.2024	12.62	1.4.2025 – 1.4.2027	326,945 <sup>(Note e)</sup>	–	–	326,945
<b>Other grantees (in aggregate)</b>							
	1.4.2024	12.62	1.4.2025 – 1.4.2027	356,666 <sup>(Note f)</sup>	–	–	356,666
				1,416,905	–	–	1,416,905

## Directors' Interests in Shares *continued*

### Long-term incentives: Share Schemes *continued*

#### **The 2024 Share Award Scheme** *continued*

Notes:

- (a) 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.
- (b) The Awarded Shares granted during the Relevant Period includes restricted shares (“Restricted Shares”) and performance shares (“Performance Shares”):-
- (i) 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. “Vesting period” accordingly begins with the first anniversary of the date of grant;
  - (ii) Performance Shares will be vested on the third anniversary of the date of grant subject to the achievement of relevant performance target as follows:
    - 1. the Company meets the KPIs as determined by the Board and calculated by reference to the Company’s total shareholder return relative to that of the peer companies selected, as well as the Company’s performance (with reference to the Group’s turnover growth, occupancy rate, property expenses ratio, underlying profit, etc.); and
    - 2. the individual performance rating should reach the level as determined by the Board during the vesting period, measured against annual financial and operational targets (such as turnover, expense ratio, EPS, portfolio year-end occupancy, achievement of key strategic initiatives, etc.), as well as 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.
- (c) 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.
- (d) 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.
- (e) Among the 326,945 Awarded Shares granted to Five Highest Paid Individuals, 109,791 Awarded Shares are Restricted Shares and 217,154 Awarded Shares are Performance Shares.
- (f) Among the 356,666 Awarded Shares granted to other grantees, 194,130 Awarded Shares are Restricted Shares and 162,536 Awarded Shares are Performance Shares.
- (g) The closing price of Awarded Shares immediately before the date of grant (i.e. 28 March 2024) was HK\$12.62.
- (h) No Awarded Shares were vested or cancelled or lapsed during the Relevant Period.

## Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares

As at 30 June 2024, the interests or short positions of substantial Shareholders and other persons, 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
Silchester International Investors LLP	Investment manager	Long	83,647,000	8.14
First Eagle Investment Management, LLC	Investment manager	Long	52,460,214	5.10
BlackRock, Inc.	Investment manager	Long	52,549,036	5.12
	Investment manager	Short	883,000	0.09

Note:

The percentages were computed based on the total number of issued shares of the Company as at 30 June 2024 (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 were recorded in the register that is required to be kept under section 336 of the SFO as at 30 June 2024.

## Purchase, Sale or Redemption of the Company's Listed Securities

During the Review Period, the Group repurchased and cancelled part of the US\$850,000,000 Subordinated Guaranteed Perpetual Capital Securities (the "Securities") in the aggregate principal amount of US\$99,995,000 (approximately HK\$777 million), representing approximately 11.76% of the aggregate principal amount of the Securities initially issued. The Securities were issued in 2020 and are listed on the Stock Exchange, and the repurchase was carried out by way of a tender offer to purchase for cash with an aggregate purchase price of approximately HK\$728 million paid by the Group.

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 Review Period.

## Human Resources Practices

The Group aims to attract, retain and develop high-calibre individuals who are committed to attaining our objectives and achieving Hysan's corporate culture and core values. The total number of employees as at 30 June 2024 was 510. The Group's human resources practices are aligned with our corporate objectives in order to maximize Shareholder value and achieve sustainable growth.

There has been no material change to the human resources practices, training and development programmes as set out in the "Sustainability Report 2023".

# Shareholder Information

## FINANCIAL CALENDAR

Interim results announced	23 August 2024
Ex-dividend date for first interim dividend	5 September 2024
Closure of register of members and record date for first interim dividend	9 September 2024
Dispatch of first interim dividend warrants	(on or about) 20 September 2024

## FIRST INTERIM DIVIDEND

The Board declares the payment of a first interim dividend of HK27 cents per share. The first interim dividend will be payable in cash to Shareholders whose names appear on the register of members as at Monday, 9 September 2024.

The register of members will be closed on Monday, 9 September 2024, for the purpose of determining Shareholders' entitlement to the first interim dividend, on which date no transfer of shares will be registered. In order to qualify for the first interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Standard Limited (the "Registrar") not later than 4:00 p.m. on Friday, 6 September 2024.

Dividend warrants will be dispatched to Shareholders on or about Friday, 20 September 2024.

## SHAREHOLDER SERVICES

For enquiries about share transfer and registration, please contact the Registrar:

Tricor Standard Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong  
Telephone: (852) 2980 1333  
Facsimile: (852) 2861 1465

Holders of the Company's ordinary shares should notify the Registrar promptly of any change of their address.

This 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\* on the Stock Exchange's Website can register for the News Alerts service in the Market Data section of the HKEx Market website at [https://www.hkex.com.hk/eng/invest/user/login\\_e.aspx](https://www.hkex.com.hk/eng/invest/user/login_e.aspx).

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

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 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 report or other corporate communications using Electronic Means and who for any reason have difficulty in receiving or gaining access to this 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 report or other corporate communications of the Company by notice in writing to the Company or the Registrar, or by e-mail to [hysan14-ecom@hk.tricorglobal.com](mailto:hysan14-ecom@hk.tricorglobal.com) or [cosec@hysan.com.hk](mailto:cosec@hysan.com.hk). The Change Request Form may be downloaded from the Company's Website.

## **INVESTOR RELATIONS**

For enquiries relating to investor relations, please e-mail 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\*\*

Poon Chung Yin Joseph\*\*

Wong Ching Ying Belinda\*\*

Young Elaine Carole\*\*

Lee Anthony Hsien Pin\*

(*Lee Irene Yun-Lien as his alternate*)

Lee Chien\*

Lee Tze Hau Michael\*

## AUDIT AND RISK MANAGEMENT COMMITTEE

Poon Chung Yin Joseph\*\* (*Chairman*)

Churchouse Frederick Peter\*\*

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\*\*

Poon Chung Yin Joseph\*\*

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.*

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