INTERIM REPORT 2026

SWIRE PROPERTIES

Stock Code: 01972

Contents

COMPANY PROFILE

Swire Properties Limited (the "Company") is a leading developer, owner and operator of mixed-use, principally commercial, properties in Hong Kong and the Chinese Mainland, with a record of creating long-term value by placemaking and transforming urban areas. Our business comprises three elements: property investment, property trading, and hotel investment and management.

Founded in Hong Kong in 1972, the Company is listed on The Stock Exchange of Hong Kong Limited and, with its subsidiaries, employs around 5,800 people. The Company's shopping malls are home to more than 2,200 retail outlets. Its offices house a working population estimated to be 72,000. Our investment portfolio in Hong Kong comprises Taikoo Place, Pacific Place and Cityplaza. In the Chinese Mainland, the Company has six major commercial projects in operation in Beijing, Guangzhou, Chengdu and Shanghai. The Company has interests in the luxury and high-quality residential markets in Hong Kong, the Chinese Mainland, Indonesia, Vietnam, Thailand and the U.S.A. Swire Hotels develops and manages hotels in Hong Kong, the Chinese Mainland, and the U.S.A., with confirmed expansion plans to open new hotels in Japan and the Chinese Mainland.


SWIRE
PCCW

CREATIVE TRANSFORMATION

Captures what we do and how we do it. It underlines the creative mindset and long-term approach that enables us to seek out new perspectives, and original thinking that goes beyond the conventional. It also encapsulates our ability to unlock the potential of places and create vibrant destinations that can engender further growth and create sustainable value for our stakeholders.


ARTIST'S IMPRESSION

SD2050

Building the World's Most Sustainable Communities

Green Performance Pledge (GPP) achieved record participation levels with a total of 256 tenants – representing approximately 70% of the occupied lettable floor area across the Company's office portfolios in Hong Kong and the Chinese Mainland.

GREEN PERFORMANCE PLEDGE

Over 150 F&B tenants, or 33% of total F&B tenants across Swire Properties' Hong Kong and Chinese Mainland portfolios, participated in the Green Kitchen Initiative.

GREEN KITCHEN

Taikoo Hui Guangzhou became the world's first commercial building to achieve BEAM Plus Existing Buildings Platinum rating (Global Version V1.0).

HKRI Taikoo Hui received the prestigious 2026 Urban Land Institute (ULI) Asia Pacific Award for Excellence, which recognises its excellence across categories including sustainability and long-term value creation.

The 14th "BOOKS FOR LOVE @ $10" Charity Book Sale raised a record-breaking amount of over HK$1.72 million, with all-time fundraising total surpassed HK$10 million.

拾週 10 TEN 書出愛心 十元義賣 BOOKS FOR LOVE @ $10

SUSTAINABLE DEVELOPMENT ACHIEVEMENT HIGHLIGHTS

Financial Highlights

	Note	Six months ended 30th June 2026 HK$M	2025 HK$M	Change
Results				
Revenue		**9,413**	8,723	8%
Profit/(Loss) attributable to the Company's shareholders				
Underlying	*(a), (b)*	**4,900**	4,420	11%
Recurring underlying	*(a), (b)*	**4,661**	3,420	36%
Reported		**3,631**	(1,202)	N/A
Cash generated from operations		**6,456**	6,103	6%
Net cash inflow before financing		**4,166**	6,683	-38%
		HK$	HK$	
Earnings/(Loss) per share				
Underlying	*(c)*	**0.85**	0.76	12%
Recurring underlying	*(c)*	**0.81**	0.59	37%
Reported	*(c)*	**0.63**	(0.21)	N/A
Dividend per share				
First interim		**0.37**	0.35	6%

	Note	30th June 2026 HK$M	31st December 2025 HK$M	Change
Financial Position				
Total equity (including non-controlling interests)		**272,975**	271,342	1%
Net debt		**40,268**	39,540	2%
Gearing ratio	*(a)*	**14.8%**	14.6%	0.2%pt.
		HK$	HK$	
Equity attributable to the Company's shareholders per share	*(a), (d)*	**47.08**	46.80	1%

Notes:

(a) Refer to glossary on page 79 for definition.

(b) A reconciliation between reported profit/(loss) and underlying profit attributable to the Company's shareholders is provided on page 17.

(c) Refer to note 11 to the financial statements for the weighted average number of shares.

(d) Refer to note 25 to the financial statements for the number of shares at the period end.

	Six months ended 30th June 2026 HK$M	2025 HK$M
Underlying profit/(losses) by segment		
Property investment	**3,445**	3,747
Property trading	**1,211**	(282)
Hotels	**5**	(45)
Recurring underlying profit	**4,661**	3,420
Divestments	**239**	1,000
Underlying profit	**4,900**	4,420

Chairman's Statement

Dear Shareholders,

The first half of 2026 has seen Swire Properties deliver a strong performance, with a number of encouraging trends emerging across the business. Market sentiment continues to improve and this is reflected in the positive response to our results in the first half of the year. There are encouraging signs that conditions across several of our core market segments are improving.

Despite market uncertainties, the underlying strength of our business is evident. We have demonstrated resilience across market cycles, supported by high-quality assets, placemaking expertise and consistent execution. Together with an advanced development pipeline and our disciplined approach to capital management, this highlights the benefits of a diversified portfolio across our core markets of Hong Kong, the Chinese Mainland and South East Asia.

Summary of Financial Results

Our underlying profit attributable to shareholders increased by 11% to HK$4,900 million in the first half of 2026, which principally reflected the profit on the sales of two residential houses at 6 Deep Water Bay Road. This was partly offset by the non-recurring profit recognised in the first half of 2025 on the disposal of our interests in the Brickell City Centre retail mall and an adjacent land parcel in Miami, U.S.A.

Our recurring underlying profit attributable to shareholders increased by 36% from HK$3,420 million in the first half of 2025 to HK$4,661 million in the first half of 2026, primarily reflecting increased rental income from our retail portfolio, in addition to the sale of two residential houses.

Our reported profit attributable to shareholders in the first half of 2026 was HK$3,631 million, compared with a loss of HK$1,202 million in the same period of 2025. There was a fair value gain on investment properties of HK$26 million in the first half of 2026 compared to a fair value loss of HK$4,680 million in the same period in 2025. A change in the fair value of investment properties is non-cash in nature and has no impact on our operating cash flows nor on underlying profit attributable to shareholders. Our balance sheet remains strong.

Progressive Dividends

We declared a first interim dividend for 2026 of HK$0.37 per share. This represents a 6% increase over the first interim dividend for 2025. The first interim dividend for 2026 will be paid on Thursday, 8th October 2026 to shareholders registered at the close of business on the record date, being Friday, 4th September 2026. Shares of the Company will be traded ex-dividend from Wednesday, 2nd September 2026.

Our policy is to deliver sustainable growth in dividends and to pay out approximately half of our underlying profit in ordinary dividends over time. Riding on the progress of our planned investments and capital recycling strategy, our aim is to deliver a progressive, mid-single digit annual growth in dividends.

Strategy and Capital Allocation

Our HK$100 billion investment plan provides a clear framework for our long-term growth, with close to 70% already committed.

Our investment momentum in the Chinese Mainland remains very positive. With seven projects under development, our pipeline reflects the scale and ambition of this next phase of growth, as we continue to create market leading, integrated, retail-led mixed-use destinations in prime locations.

In Hong Kong, our residential pipeline continues to progress well. At the same time, we are investing in and enhancing our flagship developments at Pacific Place and Taikoo Place to maintain their long-term competitiveness and appeal.

Capital recycling remains central to our strategy. Together with earlier disposals, these actions are enabling us to redeploy capital towards higher-return opportunities while supporting the continued enhancement of our core assets.

Together, these efforts reflect our commitment to placemaking, deepening community ties and enhancing the experience we create for our tenants, residents and visitors.

Sustainable Growth

We remain focused on long-term value creation, with sustainability at the core of how we operate. This year, we launched our Sustainable Development 2050 (SD 2050) strategy, building on the strong foundations established under SD 2030. As our long-term sustainability blueprint, SD 2050 provides a framework for achieving our environmental, social and economic ambitions over the coming decades, guiding how we design, develop and operate our portfolio, reinforcing resilience and supporting sustainable value creation for our stakeholders.

Outlook

The overall direction of the business is most encouraging. While market conditions remain dynamic, we are seeing positive momentum across the business and remain confident in the quality, resilience and long-term prospects of our portfolio.

We will continue to allocate capital with discipline, balancing near-term requirements and financial performance with long-term value creation, always staying responsive as the market evolves. With a clear strategy, a strong balance sheet and a high-quality growth pipeline, we are confident in our ability to deliver sustainable growth. Consequently, the Board remains committed to a progressive dividend policy. We remain firmly committed to Hong Kong, our home city, where we will continue to invest and contribute to its long-term prosperity and development.

I would like to thank our shareholders for their continued trust and support, as well as our business partners and tenants for their long-term partnership. Above all, I would like to recognise the dedication and professionalism of my colleagues, whose commitment continues to underpin the strength and resilience of our business.

Guy Bradley
Chairman
Hong Kong, 6th August 2026

Chief Executive's Statement

Dear Shareholders,

Swire Properties has delivered a solid performance in the first six months of 2026, with good momentum building across all key areas of the business. Our retail portfolio in Hong Kong and the Chinese Mainland continued to perform strongly, underpinned by high-quality assets, differentiated trade mix, a commitment to placemaking and sustained customer engagement. The residential trading portfolio also made a strong contribution and our office portfolio remained resilient with high occupancy.

Against this backdrop, we remain focussed on execution, proactive in asset management and committed to advancing our long-term development pipeline across our core markets in Hong Kong, the Chinese Mainland and South East Asia.

Our HK$100 billion investment plan is progressing well, with approximately 70% now committed. This provides a strong foundation for future growth, as we prioritise opportunities where we can deliver sustainable, long-term value through the development and management of high-quality projects.

Business Performance

Recurring underlying profit attributable to shareholders increased by 36% to HK$4,661 million in the first half of 2026, primarily driven by the sale of two residential properties at 6 Deep Water Bay Road and higher rental income from our retail portfolios.

During the period, we continued to take a disciplined approach to capital allocation, including selective disposals of non-core assets. This supports our ability to recycle and reallocation capital to pursue higher-return opportunities while maintaining flexibility as market conditions evolve.

Our diversified portfolio remains a key strength, enabling us to balance performance across asset classes and geographies.

Retail

Our retail portfolio delivered a strong performance across our core geographies in the first half of 2026, continuing to outperform the market thanks to our premium positioning, disciplined tenant curation and active asset management.

In Hong Kong, our malls maintained 100% occupancy. Sales performance was encouraging across the retail portfolio, with The Mall at Pacific Place in particular showing a strong recovery – including its highest-ever May sales on record – alongside continued growth at Cityplaza and Citygate Outlets, supported by targeted marketing and promotional campaigns.

Retail conditions remain dynamic, shaped by outbound travel and evolving consumer behaviour. Against this backdrop, our portfolio has demonstrated resilience, with demand in luxury categories – particularly watches, jewellery and gold – remaining robust, supported by both local customers and tourists.

In the Chinese Mainland, our retail portfolio continued to perform strongly, outperforming the market, with growth in both footfall and retail sales. Taikoo Li Sanlitun continued to benefit from its recent upgrade, while HKRI Taikoo Hui strengthened its position through new retail concepts and brand launches, including "The Louis" and Rolex Prestige.

Across the portfolio, retailers remain selective, but demand for high-quality retail space in prime locations remains healthy – particularly where the offer is differentiated and experience-led, aligning closely with our approach to curating retail destinations.

Office

The Hong Kong office market remained competitive in the first half of 2026, reflecting high vacancy and ongoing new supply. Despite these conditions, our portfolio has maintained high occupancy. Our two latest additions, Two Taikoo Place and Six Pacific Place, have continued to attract strong demand from premium tenants.

Leasing activity has improved in recent months, supported by stronger capital market sentiment and an active IPO pipeline. Demand continues to be driven by the "flight-to-quality" trend, as occupiers take advantage of market conditions to upgrade to better located, more sustainable and amenity-rich office space within our portfolio.

At Pacific Place, we are seeing improving occupancy levels and a strong pipeline of renewals and expansions, contributing to a gradual reduction in vacancy rates. Rental reversions are moderating, with selective signs of positive spot rents. At Taikoo Place, rents have remained broadly stable, and the portfolio continues to attract premium occupiers.

In the Chinese Mainland, demand for office space in Beijing, Shanghai and Guangzhou remained subdued due to economic uncertainty.

Residential Trading

Residential trading delivered a strong and increasingly significant contribution to our performance during the period, reflecting solid demand and continued progress across our key projects.

In Hong Kong, the sale of two houses at 6 Deep Water Bay Road made a material contribution to profit. At THE HEADLAND RESIDENCES in Chai Wan, pre-sales have been encouraging, with 354 of 429 launched units in Phase 1 sold as at 31st July 2026. Construction milestones have also been achieved, with occupation permits obtained for both Phase 1 and Phase 2, placing the development in a strong position for the delivery phase.

In the Chinese Mainland, Lujiazui Taikoo Yuan Residences in Shanghai has performed strongly, with a robust market response to new launches. Pre-sales of the fourth, fifth and final batches were launched during the period, with 316 out of 378 units sold as at 31st July 2026. The project remains on track, with completion expected from 2026 onwards. Our residential portfolio in Shanghai forms part of Lujiazui Taikoo Yuan, a larger mixed-use development along the Huangpu River, designed to create a high-quality, integrated urban community combining residential, retail, office and hospitality elements, further enhancing its long-term appeal.

In South East Asia, we are seeing encouraging momentum across our residential portfolio. In Jakarta, the first tower of Savyavasa has entered the handover and moving-in stage, while our first residential project in Bangkok has attracted strong market interest, reflecting sustained demand for high-quality residential developments in the region.

In the U.S.A., pre-sales at The Residences at Mandarin Oriental, Miami have been encouraging, reflecting strong buyer demand for this exceptional waterfront development. Following the demolition of the existing hotel in the second quarter of 2026, construction of the new two-tower development is expected to commence, with groundbreaking planned for October 2026 and completion targeted for 2030, further strengthening our trading pipeline.

Looking ahead, demand for high-quality residential developments in prime locations is expected to remain resilient, supported by underlying structural demand in our key markets. In Shanghai, premium projects continue to see healthy interest, supported by recent policy measures to stimulate demand. In South East Asia, long-term fundamentals – including economic growth, a rising middle class and limited premium supply – continue to support the luxury segment.

Hotels

The performance of our managed hotels in Hong Kong and the Chinese Mainland improved in the first half of 2026, reflecting higher occupancy and increased revenue per available room across the portfolio. EAST Miami, our managed hotel in South Florida, also delivered a strong operating result.

Our focus remains on delivering distinctive, experience-led hospitality, specifically through the continued development of the Upper House brand, strengthening our luxury positioning while enhancing the overall appeal and vibrancy of our mixed-use developments.

Sustainability, Innovation and Social Engagement

Sustainability remains at the core of how we operate. Following the early achievement of many of our SD 2030 targets, we have announced our SD 2050 strategy, which sets out a more ambitious long-term framework for environmental performance, resource management and community impact.

Our SD 2050 strategy reflects our commitment to making meaningful progress across key areas, guiding how we design, develop and manage our portfolio, as well as how we collaborate with tenants, partners and the communities we serve.

Innovation also remains a high priority. We are making progress in applying digital tools, data and emerging technologies to improve operational efficiency and enhance the customer experience. At the same time, our placemaking initiatives and community engagement programmes create opportunities for meaningful social impact and deeper relationships within our communities.

Future Prospects

We are building a strong development pipeline across all our core markets, positioning the business with confidence for the next phase of growth.

In Hong Kong, we are focused on strengthening and evolving our two flagship developments to support long-term growth. At Taikoo Place, we continue to expand and enhance the district, including the addition of a new site secured through a compulsory sale, reinforcing its position as a leading global business hub.

At the same time, we are progressing our residential pipeline at pace. Our joint venture development at King's Road and Pan Hoi Street in Quarry Bay is taking shape, with foundation works underway. The project will deliver approximately 455,000 square feet of residential and retail space upon completion in 2028, enhancing the vibrancy and long-term appeal of the district. In Wan Chai, our residential development at 269 Queen's Road East is also advancing, with superstructure works in progress.

At Pacific Place, we are enhancing connectivity and accessibility across the portfolio. Following the opening of Two Queensway Bridge in 2025, we are extending the existing pedestrian link from Three Pacific Place to connect with Six Pacific Place in Wan Chai. Together these initiatives form part of our broader placemaking strategy, strengthening community ties and further enhancing the overall experience for our tenants and visitors.

In the Chinese Mainland, our investment activity is progressing well. New projects, including Taikoo Li Julong Wan Guangzhou, Qiantan Place and the expansion of Taikoo Li Qiantan, Taikoo Place Beijing, Taikoo Li Sanya and Taikoo Li Xi'an, represent a significant step forward, reinforcing our commitment to creating integrated, retail-led, mixed-use destinations in prime locations, underpinned by design excellence, good connectivity and long-term community value.

Taikoo Li Julong Wan Guangzhou is a key milestone – our first riverside Taikoo Li development and our first in the Greater Bay Area. Located in Bai'etan in Guangzhou's Liwan District, it is designed as an open-plan retail destination, fully integrated with waterfront, cultural and lifestyle experiences. With completion expected in phases from 2027, the project is well positioned to become a distinctive new landmark in the Greater Bay Area.

In Shanghai, we are expanding the successful Taikoo Li Qiantan precinct, adding approximately 150,000 sqm of retail space and more than doubling its retail footprint. Qiantan Place, featuring two premium Grade-A office towers, is also progressing well and will further strengthen the mixed-use offering of the broader development. Together, these projects will enhance Qiantan's position as one of Shanghai's leading commercial destinations.

Taikoo Place Beijing is also progressing well, with the project expected to open in phases from late 2026, supporting the continued evolution of Beijing's commercial landscape.

Taikoo Li Sanya, our first resort-style premium retail development, is also advancing steadily and will deliver a distinctive retail offering in a resort setting, with completion expected in phases from 2026.

Our development pipeline is substantial but carefully curated. We will continue to deploy capital with discipline, prioritising projects where we see clear long-term value and where our placemaking capabilities can make a meaningful difference.

Looking Ahead

Although market conditions are expected to remain competitive, the positive performance across our business reinforces our conviction in the strength and resilience of our portfolios.

Our priorities are clear. We will continue to be disciplined in our execution, while advancing our development pipeline and enhancing the quality of our portfolio, bringing our developments to life in ways that meaningfully differentiate our destinations and strengthen their long-term appeal.

We are confident in the strength of our business, underpinned by the quality of our assets and the progress we are making across our pipeline of new developments. This will provide us with a strong foundation not only to navigate the current environment, but to capture opportunities and drive sustainable growth as conditions continue to improve.

I would like to thank our shareholders and partners for their continued support, and our tenants and customers for their ongoing trust. Above all, thank you to all our colleagues for their professionalism, dedication and commitment which is central to our performance and gives us confidence in meeting the challenges that inevitably lie ahead.

Tim Blackburn
Chief Executive
Hong Kong, 6th August 2026

Review of Operations

	Six months ended 30th June		Year ended 31st December
	2026 HK$M	2025 HK$M	2025 HK$M
Revenue			
Gross Rental Income derived from			
Office	**2,638**	2,636	5,248
Retail	**3,768**	3,652	7,193
Residential	**219**	221	438
Other Revenue [1]	**68**	67	135
Property Investment	**6,693**	6,576	13,014
Property Trading	**2,200**	1,706	2,110
Hotels	**520**	441	917
Total Revenue	**9,413**	8,723	16,041
Operating Profit/(Losses) derived from			
Property investment			
From operations	**4,414**	3,918	7,712
Sale of interests in investment properties	**149**	(121)	(49)
Fair value gains/(losses) in respect of investment properties	**578**	(3,900)	(6,095)
Property trading	**113**	511	497
Hotels	**(4)**	(53)	(107)
Total Operating Profit	**5,250**	355	1,958
Share of Post-tax Losses from Joint Venture and Associated Companies	**(165)**	(539)	(1,258)
Profit/(Loss) Attributable to the Company's Shareholders	**3,631**	(1,202)	(1,533)

(1) Other revenue is mainly estate management fees.

Additional information is provided in the following section to reconcile reported profit/(loss) and underlying profit attributable to the Company's shareholders. These reconciling items principally adjust for the fair value movements on investment properties and the associated deferred tax in the Chinese Mainland, and for other deferred tax provisions in relation to investment properties. In the first half of 2026, the Group's investment properties recorded fair value gains in Hong Kong of HK$625 million and fair value losses in the Chinese Mainland of HK$586 million, respectively. Further adjustment was also made to remove the effect of the movement in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest in 2025. Amortisation of right-of-use assets classified as investment properties is charged to underlying profit.

Underlying Profit Reconciliation	Note	Six months ended 30th June 2026 HK$M	Six months ended 30th June 2025 HK$M	Year ended 31st December 2025 HK$M
Profit/(Loss) Attributable to the Company's Shareholders per Financial Statements		**3,631**	(1,202)	(1,533)
Adjustments in respect of investment properties:				
Fair value (gains)/losses in respect of investment properties	*(a)*	**(39)**	4,690	7,753
Deferred tax on investment properties	*(b)*	**160**	(44)	288
Fair value gains realised on sale of interests in investment properties	*(c)*	**1,164**	1,001	2,195
Depreciation of investment properties occupied by the Group	*(d)*	**12**	12	22
Non-controlling interests' share of fair value movements less deferred tax		**13**	(11)	(39)
Movement in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest	*(e)*	**–**	14	14
Less amortisation of right-of-use assets reported under investment properties	*(f)*	**(41)**	(40)	(80)
Underlying Profit Attributable to the Company's Shareholders		**4,900**	4,420	8,620
Profit from divestments		**(239)**	(1,000)	(2,360)
Recurring Underlying Profit Attributable to the Company's Shareholders		**4,661**	3,420	6,260

Notes:

(a) This represents the fair value movements as shown in the Group's consolidated statement of profit or loss and the Group's share of fair value movements of joint venture and associated companies.

(b) This represents deferred tax movements on the Group's investment properties, plus the Group's share of deferred tax movements on investment properties held by joint venture and associated companies. These comprise deferred tax on fair value movements on investment properties in the Chinese Mainland, and deferred tax provisions made in respect of investment properties held for the long-term where it is considered that the liability will not reverse for some considerable time. It also includes certain tax adjustments arising from transfers of investment properties within the Group.

(c) Prior to the implementation of HKAS 40, changes in the fair value of investment properties were recorded in the revaluation reserve rather than the consolidated statement of profit or loss. On sale, fair value gains/(losses) were transferred from the revaluation reserve to the consolidated statement of profit or loss. The fair value gains realised on sale of interests in investment properties include historic fair value gains on the sale of properties that had previously been classified as investment properties.

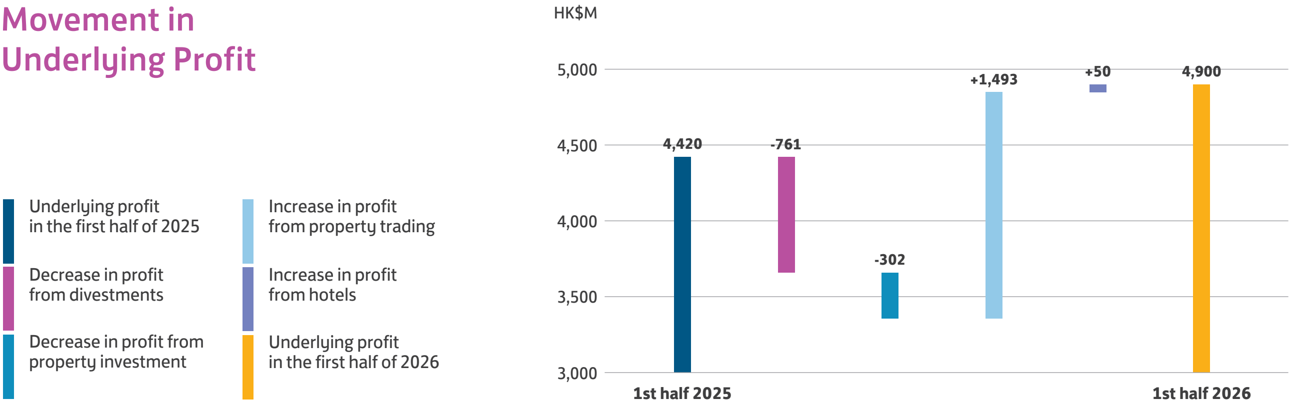
(d) Prior to the implementation of HKAS 40, no depreciation was charged on investment properties occupied by the Group.

(e) The value of the put option in favour of the owner of a non-controlling interest is calculated principally by reference to the estimated fair value of the portion of the underlying investment property in which the owner of the non-controlling interest is interested.

(f) HKFRS 16 amends the definition of investment property under HKAS 40 to include properties held by lessees as right-of-use assets to earn rentals or for capital appreciation or both, and requires the Group to account for such right-of-use assets at their fair value. The amortisation of such right-of-use assets is charged to underlying profit.

Underlying Profit

Movement in Underlying Profit



Our reported profit attributable to shareholders in the first half of 2026 was HK$3,631 million, compared to a loss of HK$1,202 million in the first half of 2025. There was a fair value gain on investment properties (after deducting non-controlling interests) of HK$26 million in the first half of 2026, compared to a fair value loss of HK$4,680 million in the first half of 2025 (which was mainly related to the Hong Kong office portfolios).

Underlying profit attributable to shareholders (which principally adjusts for changes in the fair value of investment properties) increased by HK$480 million from HK$4,420 million in the first half of 2025 to HK$4,900 million in the first half of 2026. The increase was driven primarily by the profit on the sale of two residential houses at 6 Deep Water Bay Road in Hong Kong. This was partly offset by a lower gain on divestments. In the first half of 2025, gains were recorded from the disposal of our interests in the Brickell City Centre retail mall, its car parking spaces and certain shared facilities, as well as an adjacent land parcel in Miami, U.S.A.

Recurring underlying profit (which excludes profit from divestments) was HK$4,661 million in the first half of 2026, compared to HK$3,420 million in the first half of 2025.

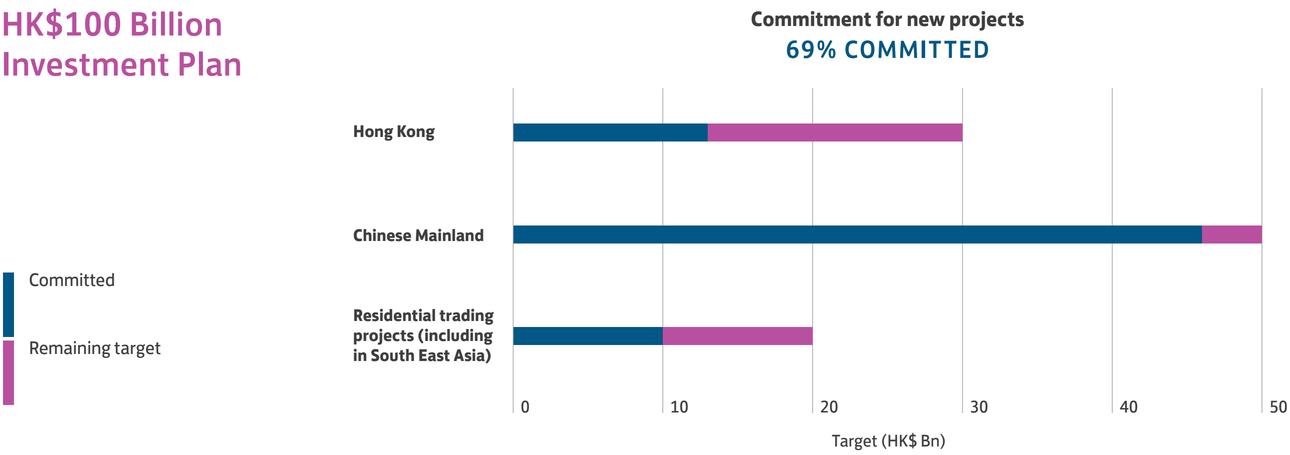
Recurring underlying profit from property investment decreased in the first half of 2026. This principally reflected the loss of rental income from the Brickell City Centre retail mall following its disposal and higher interest expenses, partly offset by increased rental income from the retail portfolios.

In Hong Kong, the retail market continued to show positive momentum. Notwithstanding the continued trend of outbound travel, prime locations have experienced sales growth due to inbound tourism, strategic brand restructuring, and a growing demand for premium watches, jewellery, and gold. Ongoing marketing and promotional efforts at our various malls helped to boost business. Occupancy across our office portfolio remained high, with increased leasing activity driven by the expansion of existing tenants. Despite the challenges posed by high vacancy rates and new supply, the office market gained renewed momentum, underpinned by an active IPO market and improving sentiment in the financial sector.

In the Chinese Mainland, our retail portfolio delivered a strong performance in the first half of 2026, supported by improved market sentiment and consumer confidence resulting from the government's expanded stimulus package, which continued to benefit the overall economy. Our malls have benefitted from the enhanced experiential retail offerings and ongoing upgrade initiatives, including the reopening of Taikoo Li Sanlitun North in Beijing. Despite temporary disruptions from upgrading works at some of our malls, overall foot traffic and retail sales recorded strong growth.

The significant increase in the underlying profit from property trading in the first half of 2026 was principally a result of the profit on the sale of two residential houses at 6 Deep Water Bay Road.

The overall performance of Swire Hotels in Hong Kong and the Chinese Mainland improved in the first half of 2026, driven by higher occupancy and revenue per available room across the portfolio. The performance of our managed hotel in the U.S.A. was strong.



HK$100 Billion Investment Plan

In March 2022, the Company announced a plan to invest HK$100 billion over ten years in development projects in Hong Kong and the Chinese Mainland, and in residential trading projects (including in South East Asia). The target allocation is HK$30 billion to Hong Kong, HK$50 billion to the Chinese Mainland and HK$20 billion to residential trading projects (including in South East Asia). At 31st July 2026, approximately HK$69 billion of the planned investments had been committed (HK$13 billion to Hong Kong, HK$46 billion to the Chinese Mainland and HK$10 billion to residential trading projects).

Major committed projects include residential developments at THE HEADLAND RESIDENCES, 269 Queen's Road East, 983-987A King's Road and 16-94 Pan Hoi Street in Hong Kong, and at Upper House Residences Bangkok and The Wireless Residences by Upper House in Bangkok; a retail-led mixed-use development in Taikoo Li Xi'an; a retail-led development in Sanya; mixed-use developments at Lujiazui Taikoo Yuan, and Taikoo Li Qiantan (New Retail Phase) and Qiantan Place (formerly known as New Bund Mixed-use Project) in Shanghai; Taikoo Li Julong Wan Guangzhou; Phase 3 of Taikoo Hui in Guangzhou; as well as office and other commercial use developments at 8 Shipyard Lane, 1067 King's Road, 9-43 Hoi Wan Street, and 29-41 Tong Chong Street in Hong Kong. Uncommitted projects include further retail-led mixed-use projects in Tier-1 and emerging Tier-1 cities in the Chinese Mainland, including Beijing and Shenzhen, with a plan to double our gross floor area in the Chinese Mainland, further expansion at Pacific Place and Taikoo Place in Hong Kong as well as further residential trading projects in Hong Kong, the Chinese Mainland and South East Asia.

Key Developments

In January, April and June 2026, an associated company in which the Group holds a 40% interest launched the pre-sales of the fourth, fifth and the final (sixth) batches of Lujiazui Taikoo Yuan Residences, a luxury residential development in Shanghai. 316 out of 378 units across the six batches were pre-sold up to 31st July 2026, generating cumulative sales proceeds of RMB16.0 billion since the first launch in 2024.

In March 2026, the Group acquired a 50% equity interest in a project company which intends to develop a site with a GFA of approximately 139,300 square feet as part of the Taikoo Li Julong Wan Guangzhou development.

In March 2026, the Group completed the sale of two residential houses at 6 Deep Water Bay Road to a third-party buyer for a consideration of HK$2.2 billion.

In April 2026, as part of the ongoing capital recycling strategy, the Group completed the sale of a commercial investment property in Hong Kong to a third-party buyer for a consideration of HK$360 million.

In April 2026, the Group announced the launch of its Sustainable Development ("SD") 2050 Vision and Strategy, advancing the Group's long-term commitment to putting sustainability at the heart of its operations. Guided by a new vision, "Building the World's Most Sustainable Communities", the new strategy aims to lead transformative changes in the build environment by harmonising business, people and nature, while also supporting the Group's ambitious business growth plans in Hong Kong, the Chinese Mainland and South East Asia.

In May 2026, the Group successfully bid in the compulsory sale for the majority portion of 9-43 Hoi Wan Street and 29-41 Tong Chong Street in Quarry Bay which is intended to be redeveloped for office and other commercial uses. The acquisition was completed in June 2026.

In June 2026, pursuant to the sale and purchase agreement entered into in November 2023, the Group provided written notice to the Securities and Futures Commission ("SFC") in respect of the completion of the sale of the 44th floor at One Island East in Quarry Bay which is expected to take place on 31st December 2026.

Portfolio Overview

The aggregate gross floor area ("GFA") attributable to the Group at 30th June 2026 was approximately 40.1 million square feet.

Of the aggregate GFA attributable to the Group, approximately 33.5 million square feet are investment properties and hotels, comprising completed investment properties and hotels of approximately 23.7 million square feet, and investment properties under development or held for future development of approximately 9.8 million square feet. In Hong Kong, the investment property and hotel portfolio comprises approximately 14.2 million square feet attributable to the Group of primarily Grade-A office and retail premises, hotels, serviced apartments and other luxury residential accommodation. In the Chinese Mainland, the Group has interests in 11 major commercial developments in prime locations in Beijing, Guangzhou, Chengdu, Shanghai, Xi'an and Sanya. These developments are expected to comprise approximately 19.3 million square feet of attributable GFA when they are all completed. Of this, 10.6 million square feet has already been completed.

The tables below illustrate the GFA (or expected GFA) attributable to the Group of the investment property and hotel portfolio at 30th June 2026.

Completed Investment Properties and Hotels
(GFA attributable to the Group in million square feet)

	Office	Retail	Hotels [1]	Residential/ Serviced Apartments	Under Planning	**Total**
Hong Kong	9.2	2.5	0.8	0.6	–	**13.1**
Chinese Mainland	2.9	6.4	1.1	0.2	–	**10.6**
Total	**12.1**	**8.9**	**1.9**	**0.8**	**–**	**23.7**

Investment Properties and Hotels Under Development or Held for Future Development
(expected GFA attributable to the Group in million square feet)

	Office	Retail	Hotels [1]	Residential/ Serviced Apartments	Under Planning	**Total**
Hong Kong	–	–	–	–	1.1	**1.1**
Chinese Mainland	2.2	5.4	0.4	0.1	0.6	**8.7**
Total	**2.2**	**5.4**	**0.4**	**0.1**	**1.7**	**9.8**

Total Investment Properties and Hotels
(GFA (or expected GFA) attributable to the Group in million square feet)

	Office	Retail	Hotels [1]	Residential/ Serviced Apartments	Under Planning	**Total**
Total	**14.3**	**14.3**	**2.3**	**0.9**	**1.7**	**33.5**

(1) Hotels are accounted for in the financial statements under property, plant and equipment and, where applicable, the leasehold land portion is accounted for under right-of-use assets.

Approximately 6.6 million square feet are trading properties. The trading portfolio comprises completed units available for sale at LA MONTAGNE and THE HEADLAND RESIDENCES in Hong Kong, as well as Savyavasa in Jakarta. There are seven residential projects under development; two in Hong Kong, two in the Chinese Mainland, one in Vietnam, one in Thailand and one in Miami, U.S.A.

The table below illustrates the GFA (or expected GFA) attributable to the Group of the trading property portfolio at 30th June 2026.

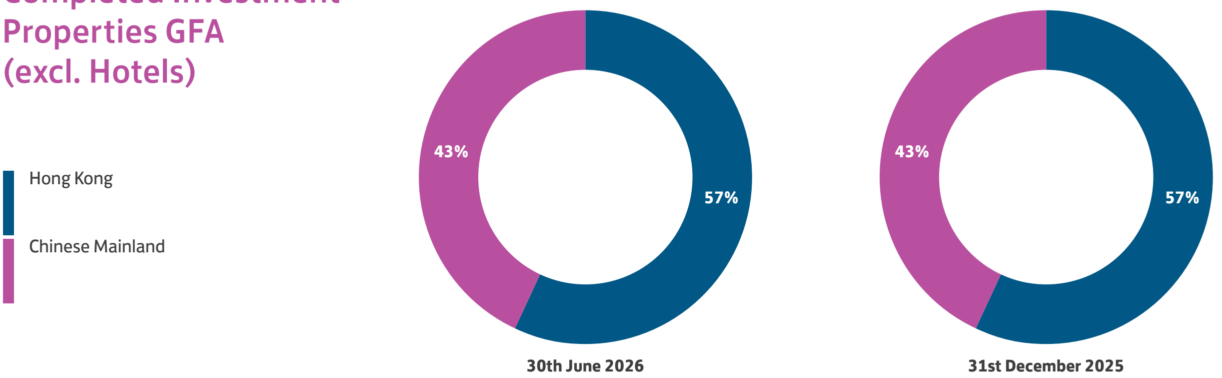
Trading Properties
(GFA (or expected GFA) attributable to the Group in million square feet)

	Completed Development [1]	Under Development or Held for Development	**Total**
Hong Kong	0.6	0.3	**0.9**
Chinese Mainland	–	1.0	**1.0**
U.S.A. and South East Asia	0.4	4.3	**4.7**
Total	**1.0**	**5.6**	**6.6**

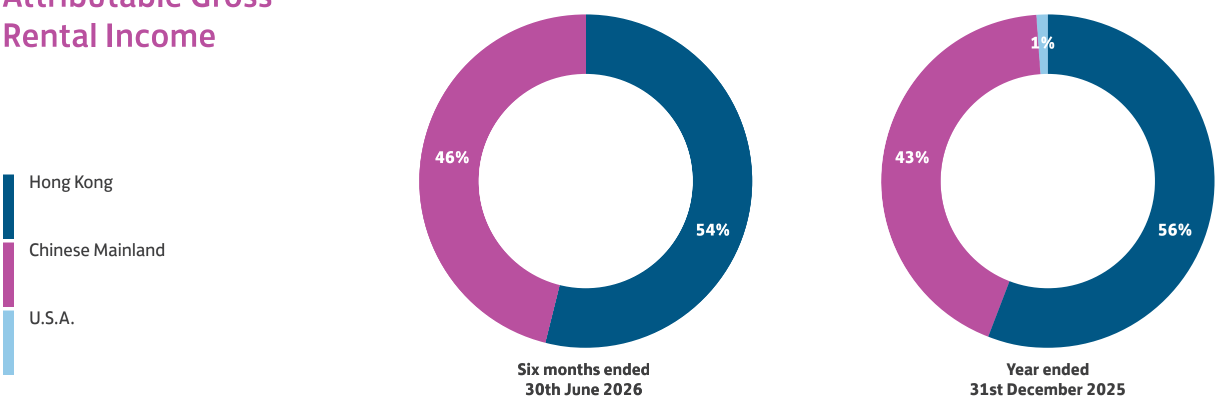
(1) Completed development mainly comprises LA MONTAGNE and THE HEADLAND RESIDENCES in Hong Kong, and Savyavasa in Jakarta.

The charts below show the analysis of the Group's completed investment properties GFA (excluding hotels), gross rental income and net assets employed by region on an attributable basis.

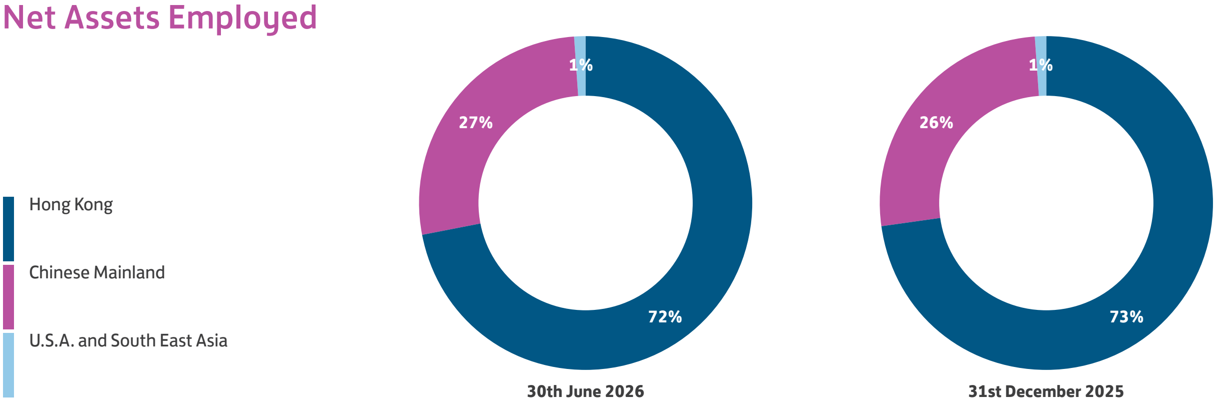
Completed Investment Properties GFA (excl. Hotels)



Attributable Gross Rental Income



Net Assets Employed



Investment Properties – Hong Kong

Offices

Overview

The completed office portfolio in Hong Kong comprises an aggregate of 10.0 million square feet of space on a 100% basis. Total attributable gross rental income from our office properties in Hong Kong was HK$2,583 million in the first half of 2026, similar to the first half of 2025. At 30th June 2026, our office properties, completed and under development, in Hong Kong were valued at HK$167,221 million. Of this amount, the Group's attributable interest was HK$159,162 million.

Hong Kong Office Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 30th June 2026)	Attributable Interest
Pacific Place	2,186,433	98%	100%
Taikoo Place – One Island East [(1)] and One Taikoo Place	2,297,463	91%	100%
Taikoo Place – Two Taikoo Place	994,973	80%	100%
Taikoo Place – Other Office Towers [(2)]	3,122,431	88%	50%/100%
Others [(3)]	1,382,438	87%	26.67%/50%/100%
Total	**9,983,738**		

(1) Excluding the 43rd, 45th to 54th floors (except for the 49th floor) which have been disposed of.

(2) Including PCCW Tower, of which the Group owns 50%.

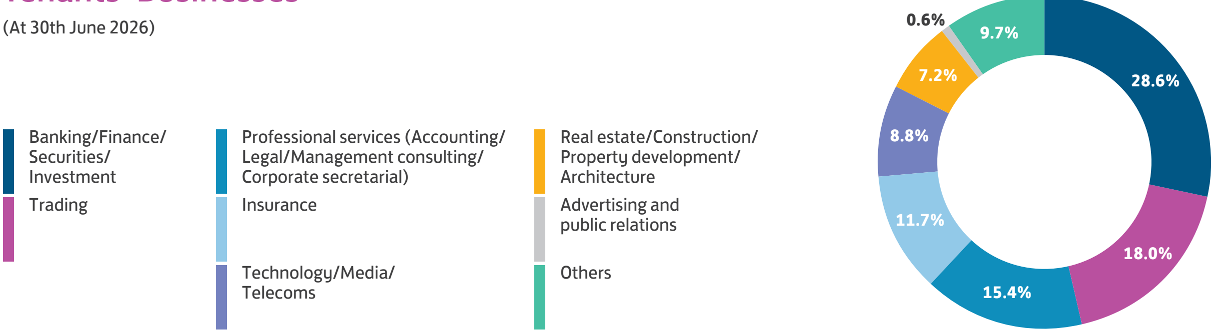
(3) Others comprise One Citygate (26.67% owned), Berkshire House (50% owned), SPACES.8QRE (wholly-owned), Five Pacific Place (wholly-owned), Six Pacific Place (wholly-owned) and South Island Place (50% owned).

Gross rental income from the Hong Kong office portfolio in the first half of 2026 was HK$2,449 million, broadly in line with the same period in 2025. High vacancy rates, coupled with new supply, continue to exert downward pressure on office rents across the Hong Kong market. Despite these headwinds, our office portfolio continues to remain resilient with high occupancy. At 30th June 2026, the office portfolio was 90% let. The two latest buildings, Two Taikoo Place and Six Pacific Place (which were completed in September 2022 and February 2024, respectively), were 80% and 70% let, respectively. Excluding Two Taikoo Place and Six Pacific Place, the rest of the office portfolio was 92% let.

The chart below shows the mix of tenants of the office properties by the principal nature of their businesses (based on internal classifications) as a percentage of the office area at 30th June 2026.

Office Area by Tenants' Businesses

(At 30th June 2026)



At 30th June 2026, the top ten office tenants (based on attributable gross rental income in the six months ended 30th June 2026) together occupied approximately 24% of the Group's total attributable office area in Hong Kong.

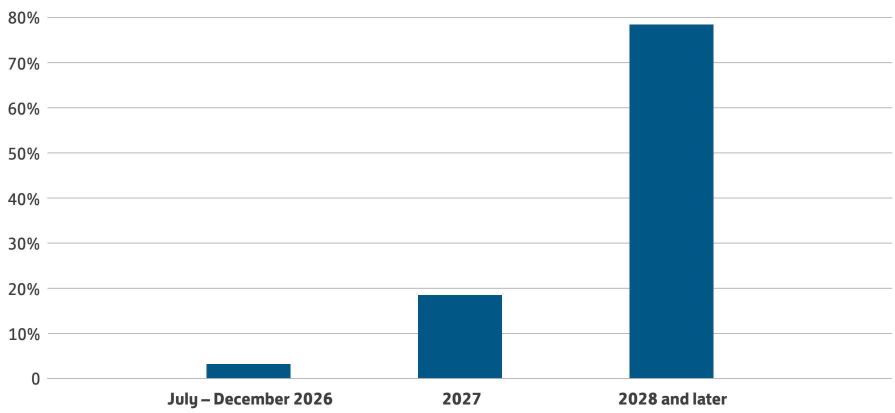
Hong Kong Office Market Outlook

Hong Kong's office market has gained renewed momentum in recent months, supported by an active IPO pipeline and improving sentiment in the financial sector. Leasing demand has strengthened, driven by incremental expansion from existing tenants and a continued "flight-to-quality" trend, as tenants capitalise on favourable market conditions to upgrade their space with a focus on amenity rich buildings with sustainability credentials and connectivity. Leasing activity at Pacific Place has continued to strengthen, underpinned by improving occupancy and robust growth in the core financial district. Tenant retention remains high, supported by a strong pipeline of renewals and expansion demand, contributing to a gradual decline in vacancy. This has been accompanied by a moderation in negative rental reversions and selective positive spot rents. At Taikoo Place, rents have remained broadly stable since the fourth quarter of 2025, while the development continues to attract premium occupiers.

The following chart shows the percentage of attributable gross rental income from the office properties in Hong Kong, for the month ended 30th June 2026, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 3.2% of the attributable gross rental income in the month of June 2026 are due to expire in the second half of 2026, with tenancies accounting for a further 18.4% of such rental income due to expire in 2027.

Office Lease Expiry Profile

(At 30th June 2026)



Retail

Overview

The completed retail portfolio in Hong Kong comprises an aggregate of 3.0 million square feet of space on a 100% basis. Total attributable gross rental income from our retail properties in Hong Kong increased by 3% to HK$1,299 million in the first half of 2026. At 30th June 2026, our retail properties in Hong Kong were valued at HK$52,327 million. Of this amount, the Group's attributable interest was HK$42,839 million.

The retail portfolio principally consists of The Mall at Pacific Place, Cityplaza at Taikoo Shing and Citygate Outlets at Tung Chung. The Group wholly owns The Mall and Cityplaza, and has a 26.67% interest in the Citygate development (comprising Citygate Outlets). The malls are managed by the Group.

Hong Kong Retail Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 30th June 2026)	Attributable Interest
The Mall, Pacific Place	711,182	100%	100%
Cityplaza	1,096,898	100%	100%
Citygate Outlets	803,948	100%	26.67%
Others [1]	410,652	100%	26.67%/60%/100%
Total	**3,022,680**		

(1) Others largely comprise Taikoo Shing neighbourhood shops and StarCrest retail premises (which are wholly-owned), Island Place retail premises (60% owned) and Tung Chung Crescent neighbourhood shops (26.67% owned).

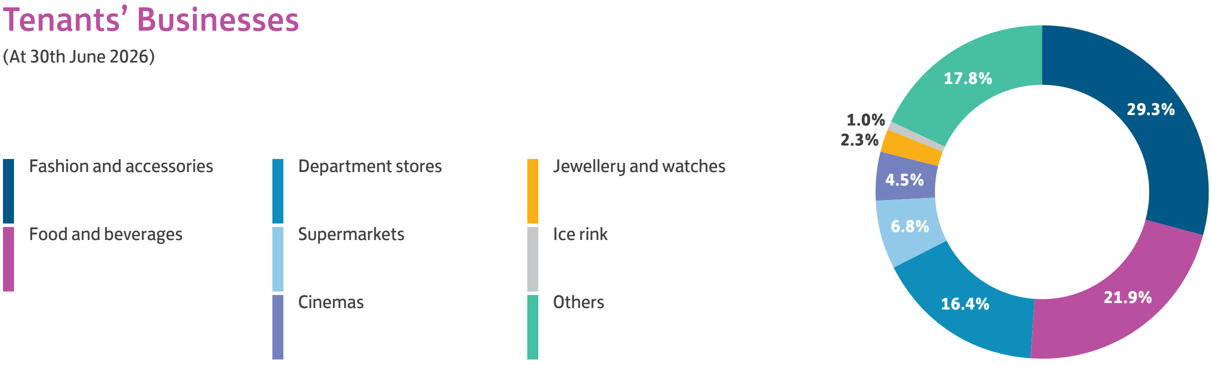
Gross rental income from the retail portfolio in Hong Kong was HK$1,196 million in the first half of 2026, a 2% increase from the same period in 2025. Ongoing marketing and promotional efforts at our various malls helped to drive sales performance. Hong Kong's retail market continued to show positive momentum despite the ongoing outbound travel trend. Expenditure on premium watches, jewellery, and gold experienced significant growth, driven by increased demand from affluent local customers and international visitors. Retail sales increased by 15%, 3% and 16%, respectively, at The Mall at Pacific Place, Cityplaza and Citygate Outlets in the first half of 2026. The provisional estimate indicates that retail sales in the overall Hong Kong market increased by 10% in the first half of 2026.

The malls were almost fully let throughout the period.

The chart below shows the mix of the tenants of the retail properties by the principal nature of their businesses (based on internal classifications) as a percentage of the retail area at 30th June 2026.

Retail Area by Tenants' Businesses

(At 30th June 2026)



At 30th June 2026, the top ten retail tenants (based on attributable gross rental income in the six months ended 30th June 2026) together occupied approximately 31% of the Group's total attributable retail area in Hong Kong.

Hong Kong Retail Market Outlook

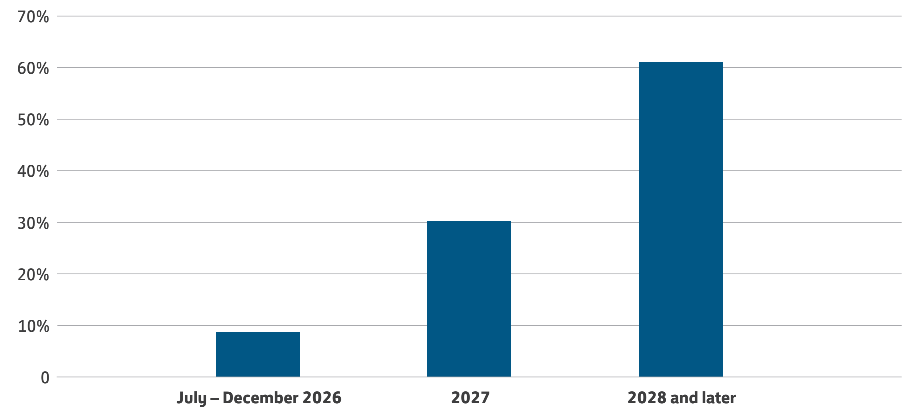
Overall retail sentiment in Hong Kong has improved gradually in 2026, despite shifts in consumer shopping behaviour towards online shopping and the continued trend of outbound travel. Retailers remain cautious and selective in expansion, given uncertainties over returns on capital expenditure and rising operating costs.

The recovery of inbound tourism, together with a robust calendar of international events and conferences, is expected to benefit the Hong Kong retail market. Continuous enhancements to tenant mix, combined with dynamic marketing campaigns and loyalty programmes, are expected to drive footfall and sales performance at our malls.

The following chart shows the percentage of attributable gross rental income from the retail properties in Hong Kong, for the month ended 30th June 2026, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 8.7% of the attributable gross rental income in the month of June 2026 are due to expire in the second half of 2026, with tenancies accounting for a further 30.3% of such rental income due to expire in 2027.

Retail Lease Expiry Profile

(At 30th June 2026)



Residential

The completed residential portfolio available for lease comprises Pacific Place Apartments at Pacific Place, EAST Apartments in Quarry Bay, STAR STUDIOS in Wan Chai and several luxury houses on Hong Kong Island and Lantau Island, with an aggregate GFA of approximately 0.6 million square feet. The residential portfolio was approximately 77% let at 30th June 2026. Demand for our residential investment properties remains steady and is primarily driven by local residents and increasing interest from the Chinese Mainland and overseas markets.

Investment Properties Under Development

1067 King's Road and 8 Shipyard Lane

The Group obtained full ownership of 1067 King's Road and 8 Shipyard Lane in 2022 and 2023, respectively. These sites were formerly known as Zung Fu Industrial Building and Wah Ha Factory Building. The two sites are intended to be redeveloped for office and other commercial uses with an aggregate GFA of approximately 779,000 square feet.

9-43 Hoi Wan Street and 29-41 Tong Chong Street

In June 2026, the Group acquired the remaining majority portion of the site in Quarry Bay through compulsory sale auction. The gross site area is approximately 24,800 square feet and is intended to be redeveloped for office and other commercial uses.

Others

One Island East, 18 Westlands Road

In November 2023, the Group entered into agreements for the sale of 12 office floors (42nd to 54th floors excluding the 49th floor) at One Island East in Quarry Bay to the SFC. Completion of the sale of the nine floors (45th to 54th floors excluding the 49th floor) currently occupied by the SFC took place in December 2023. Completion for the 43rd floor took place on 31st December 2025. Completion for the 44th floor will take place not earlier than 31st December 2026 and not later than 31st December 2027, while completion for the 42nd floor will take place not earlier than 31st December 2027 and not later than 31st December 2028. The total GFA of the 12 floors is approximately 300,000 square feet. In June 2026, the Group issued a written notice to the SFC in respect of the completion of the sale of the 44th floor, which is expected to take place on 31st December 2026.

Taikoo Shing Car Parking Spaces – Stage 10

In November 2025, the Group offered a further 453 car parking spaces in the Taikoo Shing residential development in Hong Kong for sale. All car parking spaces have been sold at 31st July 2026. Sales of 435 car parking spaces had been recognised before 2026. Sales of the remaining 18 car parking spaces are expected to be recognised in the third quarter of 2026.

Investment Properties – Chinese Mainland

Overview

The property portfolio in the Chinese Mainland comprises an aggregate of 30.9 million square feet of space, 19.3 million square feet of which is attributable to the Group. Completed properties amount to 14.4 million square feet, with 16.5 million square feet under development. Total attributable gross rental income from investment properties in the Chinese Mainland was HK$3,465 million in the first half of 2026. At 30th June 2026, the investment properties in the Chinese Mainland were valued at HK$142,352 million. Of this amount, the Group's attributable interest was HK$100,555 million.

Chinese Mainland Property Portfolio [1]

	GFA (sq. ft.) (100% Basis)				
	Total	Investment Properties	Hotels	Under Planning	Attributable Interest
Completed					
Taikoo Li Sanlitun, Beijing	1,621,783	1,621,783	–	–	100%
Taikoo Li Chengdu	1,654,565	1,461,428	193,137	–	100%
Taikoo Hui, Guangzhou	3,782,327	3,272,893	509,434	–	97%
INDIGO, Beijing [2]	1,894,141	1,535,840	358,301	–	50%
HKRI Taikoo Hui, Shanghai	3,731,964	3,155,381	576,583	–	50%
Taikoo Li Qiantan, Shanghai	1,188,727	1,188,727	–	–	50%
Phase 2 of Taikoo Hui, Guangzhou	90,847	90,847	–	–	100%
Taikoo Li Julong Wan Guangzhou [3]	445,275	445,275	–	–	50%
Others	2,917	2,917	–	–	100%
Sub-Total	**14,412,546**	**12,775,091**	**1,637,455**	**–**	
Under Development					
Taikoo Li Sanlitun, Beijing [4]	145,258	145,258	–	–	100%
Taikoo Place Beijing [5]	4,045,514	3,698,711	346,803	–	49.895%
Taikoo Li Xi'an [6]	2,896,119	2,622,434	273,685	–	70%
Taikoo Li Sanya [7]	2,486,894	2,486,894	–	–	50%
Taikoo Li Qiantan (New Retail Phase) and Qiantan Place (formerly known as Shanghai New Bund Mixed-use Project) [8]	2,943,782	2,943,782	–	–	40%
Lujiazui Taikoo Yuan, Shanghai [9]	2,886,453	1,347,201	–	1,539,252	40%
Taikoo Li Julong Wan Guangzhou [3]	389,237	389,237	–	–	50%
Phase 3 of Taikoo Hui, Guangzhou [10]	654,782	654,782	–	–	97%
Sub-Total	**16,448,039**	**14,288,299**	**620,488**	**1,539,252**	
Total	**30,860,585**	**27,063,390**	**2,257,943**	**1,539,252**	

(1) Including hotels and properties leased for investment.

(2) INDIGO forms part of Taikoo Place Beijing.

(3) This is the retail portion of a mixed-use development in Liwan district of Guangzhou. GFA as shown above represented the sites acquired and leased as of 30th June 2026. The GFA will increase to approximately 1,615,000 square feet, subject to further relevant transaction agreements. The Group has a 50% interest in the retail portion of the development. The development scheme is being planned. The first phase of the retail portion was opened progressively in December 2025. The overall development is planned to be completed in phases from 2027.

(4) Building N1 was closed in June 2024 and is under redevelopment for retail use.

(5) This is an office-led mixed-use development. The development is planned to be completed in phases from 2026.

(6) This is a retail-led mixed-use development. The development is planned to be completed in phases from 2027.

(7) This is a retail-led development. The development is planned to be completed in phases from 2026. Project name has yet to be confirmed.

(8) This is a mixed-use development including two office towers, One Qiantan Place and Two Qiantan Place and a new retail phase/extension. The development is planned to be completed in 2026.

(9) This is a mixed-use development. The development scheme for the East zone is being planned. The development is expected to be completed in phases from 2026.

(10) As an extension to the shopping mall of Taikoo Hui in Guangzhou, the refurbishment of the property is expected to be completed from 2028.

Gross rental income from the Group's investment property portfolio in the Chinese Mainland was HK$2,782 million in the first half of 2026, 13% higher than in the same period in 2025, mainly reflecting the improvement to tenant mix in the cities where our malls operate. Disregarding changes in the value of Renminbi, gross rental income increased by 6%.

Retail

The completed retail portfolio in the Chinese Mainland comprises an aggregate of 8.3 million square feet of space, 6.4 million square feet of which is attributable to the Group. Total attributable gross rental income from our retail properties in the Chinese Mainland increased by 14%, to HK$2,998 million, in the first half of 2026. Disregarding changes in the value of the Renminbi, total attributable gross rental income increased by 8%. At 30th June 2026, our completed retail properties in the Chinese Mainland were valued at HK$78,641 million. Of this amount, the Group's attributable interest was HK$65,549 million.

The portfolio consists of Taikoo Li Sanlitun in Beijing, Taikoo Li Chengdu and Phase 2 of Taikoo Hui in Guangzhou, which are wholly-owned by the Group, Taikoo Hui in Guangzhou, which is 97% owned, INDIGO in Beijing, HKRI Taikoo Hui and Taikoo Li Qiantan in Shanghai, and Taikoo Li Julong Wan Guangzhou, each of which are 50% owned.

Chinese Mainland Completed Retail Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 30th June 2026)	Attributable Interest
Taikoo Li Sanlitun, Beijing	1,621,783	100%	100%
Taikoo Li Chengdu	1,354,624	98%	100%
Taikoo Hui, Guangzhou	1,529,392	100%	97%
INDIGO, Beijing	946,769	98%	50%
HKRI Taikoo Hui, Shanghai	1,107,220	98%	50%
Taikoo Li Qiantan, Shanghai	1,188,727	98%	50%
Taikoo Li Julong Wan Guangzhou (1)	445,275	76%	50%
Phase 2 of Taikoo Hui, Guangzhou (2)	90,847	N/A	100%
Total	**8,284,637**		

(1) GFA as stated in the above table represents the first phase of the retail portion which was opened progressively in December 2025.

(2) Under renovation.

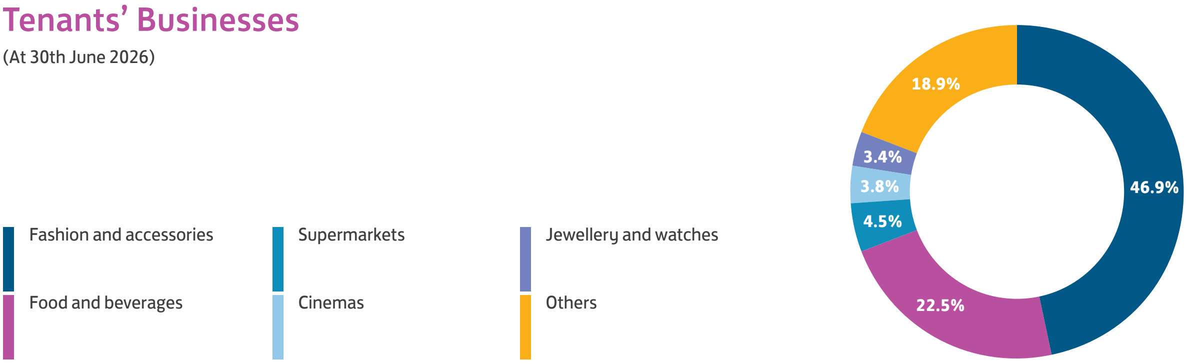
Retail sales and foot traffic in our Chinese Mainland malls recorded a strong start in 2026, supported by a continued shift towards experiential retail and the successful upgrades of our retail portfolios. Taikoo Li Sanlitun maintained robust momentum following the completion of a major trade-mix upgrade of the North zone in late 2025, reinforced by the opening of the Hermès global flagship in April 2026. HKRI Taikoo Hui also delivered a strong performance following the launch of "The Louis" in June 2025 and further enhanced its brand offerings with the opening of Rolex Prestige in the first half of 2026. Retail sales (excluding sales by vehicle retailers) at our malls on an attributable basis in the Chinese Mainland increased by 23% in the first half of 2026. Retail sales at Taikoo Li Sanlitun and INDIGO in Beijing, Taikoo Li Chengdu, Taikoo Hui in Guangzhou, HKRI Taikoo Hui and Taikoo Li Qiantan in Shanghai increased by 63%, 3%, 14%, 9%, 82% and 14%, respectively.

The Group's gross rental income from retail properties in the Chinese Mainland increased by 13%, to HK$2,572 million, in the first half of 2026. Disregarding the impact from changes in the Renminbi exchange rate, gross rental income increased by 7%.

The chart below shows the mix of the tenants of the retail properties by the principal nature of their businesses (based on internal classifications) as a percentage of the retail area at 30th June 2026.

Retail Area by Tenants' Businesses

(At 30th June 2026)



At 30th June 2026, the top ten retail tenants (based on attributable gross rental income in the six months ended 30th June 2026) together occupied approximately 24% of the Group's total attributable retail area in the Chinese Mainland.

Retail sales and gross rental income at Taikoo Li Sanlitun in Beijing increased by 63% and 16%, respectively, in the first half of 2026, benefitting from the opening of the iconic luxury brand maisons and architecturally distinctive flagship stores at Taikoo Li Sanlitun North from the end of 2025, as well as successful upgrades and brand positioning at Taikoo Li Sanlitun South. This momentum was further supported by strong international tourist arrivals in Beijing and a favourable tax refund policy. Demand for retail space remained robust as Taikoo Li Sanlitun strengthened its position as a luxury, fashion and social destination. Building N1, adjacent to Taikoo Li Sanlitun North, is being redeveloped into a new retail landmark for global flagship stores. Façade, mechanical and electrical installation works are in progress. The redevelopment is expected to be completed in 2026 and open in 2027. The development was 100% let at 30th June 2026.

Retail sales and gross rental income at Taikoo Li Chengdu both increased by 14% in the first half of 2026, reflecting the continued upgrading of its brand mix and stores. The Group continues to reinforce the development as a premium shopping and leisure destination. The development was 98% let at 30th June 2026.

Retail sales and gross rental income at Taikoo Hui in Guangzhou increased by 9% and 11%, respectively, in the first half of 2026, reflecting continued improvements in the tenant mix. The mall was 100% let at 30th June 2026. Phase 2 of Taikoo Hui, located nearby, is being revamped as a lifestyle destination offering new experiences in fashion, F&B, social interaction and wellbeing. The revamp is expected to be completed by 2027. Design development of Phase 3 of Taikoo Hui, which is connected to the mall and was acquired in August 2024, is in progress. This property will be renovated as a luxury retail and lifestyle addition to Taikoo Hui, with completion of the refurbishment expected from 2028.

Retail sales at INDIGO in Beijing increased by 3% while gross rental income decreased by 3% in the first half of 2026, principally reflecting temporary disruption from ongoing development works and connectivity enhancements, including bridges and tunnels, at Taikoo Place Beijing. The mall was 98% let at 30th June 2026.

Retail sales and gross rental income at HKRI Taikoo Hui in Shanghai increased by 82% and 29%, respectively, in the first half of 2026, reflecting strong footfall driven by the opening of "The Louis" by LOUIS VUITTON in June 2025 and the continued introduction of new concept and flagship stores. The mall was 98% let at 30th June 2026.

Retail sales and gross rental income at Taikoo Li Qiantan in Shanghai grew by 14% and 16%, respectively, in the first half of 2026, benefitting from higher footfall, enhanced tenant support and closer collaboration with tenants on leasing operations. The development was 98% let at 30th June 2026.

Developed in collaboration with the Guangzhou Pearl River Enterprises Group for the retail portion of a mixed-use development in the Liwan district of Guangzhou, Phase 1 of Taikoo Li Julong Wan Guangzhou was progressively opened from December 2025. Retail sales and footfall have been encouraging. At 30th June 2026, tenants had committed to 76% of the retail space of Phase 1, with 54% of lettable retail space already opened.

Chinese Mainland Retail Market Outlook

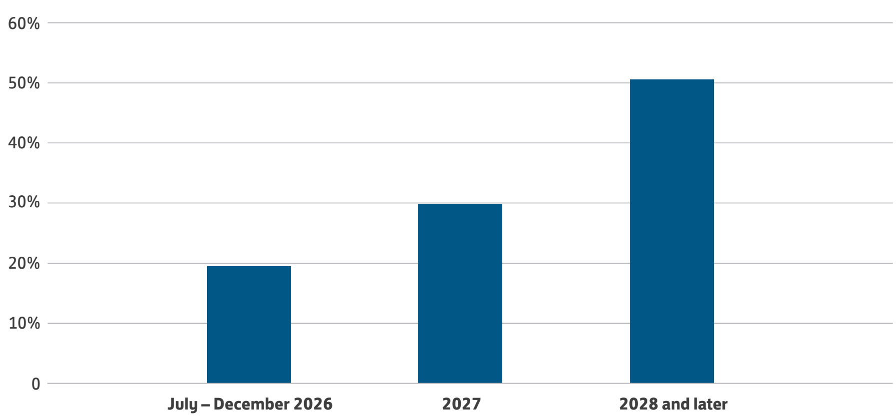
The retail market in the Chinese Mainland continued to show signs of improvement in early 2026, supported by the introduction of the 15th Five-Year Plan, which signals a strategic shift towards promoting high-quality consumption. The retail sector remains in a phase of gradual improvement, with retailers adopting a cautiously optimistic outlook over the medium to long term, while continuing to invest in strategic and key retail locations. Several segments, including goldsmiths, watches and jewellery, have gained traction, indicating resilient underlying consumer demand. While retailers have become more selective, they continue to seek high-quality retail spaces for expansion, with a growing focus on experiential concepts, distinctive brand offerings and stronger customer engagement. This underscores the importance of the unique positioning, curated brand mix and premium services provided across our portfolios.

Demand for retail space is expected to be optimistically cautious in the second half of 2026. While luxury retailers are likely to adopt a conservative approach to expansion, demand for high-quality retail space in prime locations with high potential and experiential concepts is expected to persist, particularly in cities, such as Beijing, Chengdu, Guangzhou and Shanghai where the Group operates.

The following chart shows the percentage of attributable gross rental income from the retail properties in the Chinese Mainland, for the month ended 30th June 2026, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 19.5% of the attributable gross rental income in the month of June 2026 are due to expire in the second half of 2026, with tenancies accounting for a further 29.9% of such rental income due to expire in 2027.

Retail Lease Expiry Profile

(At 30th June 2026)



Offices

The completed office portfolio in the Chinese Mainland comprises an aggregate of 4.2 million square feet of space, 2.9 million square feet of which is attributable to the Group. Total attributable gross rental income from our office properties in the Chinese Mainland increased by 3% to HK$425 million in the first half of 2026. Disregarding the impact from changes in the Renminbi exchange rate, total attributable gross rental income decreased by 3%. At 30th June 2026, our completed office properties in the Chinese Mainland were valued at HK$19,539 million. Of this amount, the Group's attributable interest was HK$12,128 million.

The portfolio comprises Taikoo Hui in Guangzhou, which is 97% owned, and INDIGO in Beijing (part of Taikoo Place Beijing) and HKRI Taikoo Hui in Shanghai, each of which is 50% owned.

Chinese Mainland Completed Office Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 30th June 2026)	Attributable Interest
Taikoo Hui, Guangzhou	1,693,125	90%	97%
INDIGO, Beijing	589,071	96%	50%
HKRI Taikoo Hui, Shanghai	1,900,838	96%	50%
Total	**4,183,034**		

Demand for office space in Beijing, Shanghai and Guangzhou remained subdued amid ongoing economic uncertainty. In Guangzhou and Shanghai, new supply in the market has led to higher vacancy rates. In Beijing, new supply was limited, while demand for office space remained weak.

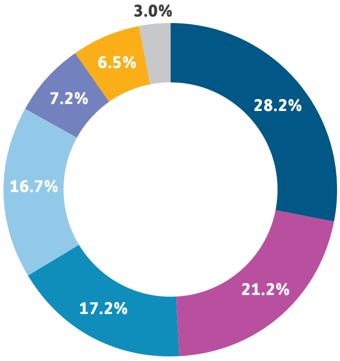
The Group's gross rental income from office properties in the Chinese Mainland increased by 4% to HK$189 million in the first half of 2026. Disregarding the impact from changes in the Renminbi exchange rate, gross rental income decreased by 2%.

The chart below shows the mix of the tenants of the office properties by the principal nature of their businesses (based on internal classifications) as a percentage of the office area at 30th June 2026.

Office Area by Tenants' Businesses

(At 30th June 2026)

Banking/Finance/Securities/Investment
Technology/Media/Telecoms
Real estate/Construction/Property development/Architecture
Trading
Pharmaceutical manufacturing
Others
Professional services



At 30th June 2026, the top ten office tenants (based on attributable gross rental income in the six months ended 30th June 2026) together occupied approximately 44% of the Group's total attributable office area in the Chinese Mainland.

The office towers of Taikoo Hui in Guangzhou, ONE INDIGO in Beijing and the office towers of HKRI Taikoo Hui in Shanghai were 90%, 96% and 96% let, respectively, at 30th June 2026.

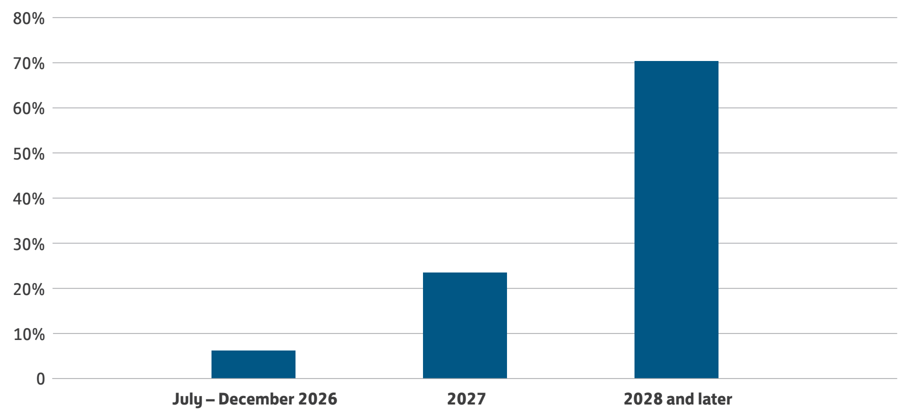
Chinese Mainland Office Market Outlook

Across the Chinese Mainland, uncommitted new supply is expected to increase office vacancy levels in the second half of 2026. In Shanghai, new supply and existing vacant stock will exert pressure on rents. In Guangzhou, new supply is expected to place further pressure on rents amid subdued demand. In Beijing, new supply in the CBD is expected to increase vacancy levels and weigh on rents. While sentiment remains cautious amid economic uncertainty, our high-quality and well-managed office portfolio is well positioned to capture demand from the continuing "flight-to-quality" trend.

The following chart shows the percentage of attributable gross rental income from the office properties in the Chinese Mainland, for the month ended 30th June 2026, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 6.2% of the attributable gross rental income in the month of June 2026 are due to expire in the second half of 2026, with tenancies accounting for a further 23.5% of such rental income due to expire in 2027.

Office Lease Expiry Profile

(At 30th June 2026)



Serviced Apartments

There are 24 serviced apartments at the Mandarin Oriental in Taikoo Hui Guangzhou, 42 serviced apartments at Upper House Chengdu in Taikoo Li Chengdu and 102 serviced apartments at Upper House Shanghai in HKRI Taikoo Hui Shanghai.

The performance of the serviced apartments in the first half of 2026 was stable. Occupancy at the Mandarin Oriental in Guangzhou, Upper House Chengdu and Upper House Shanghai was 79%, 52% and 73% respectively at 30th June 2026.

Chinese Mainland Serviced Apartments Market Outlook

The performance of the serviced apartments is expected to remain stable in the second half of 2026.

Investment Properties Under Development

Taikoo Place Beijing

Taikoo Place Beijing is an extension of the existing INDIGO development, with a total GFA of approximately 4 million square feet. Designed as an office-led mixed-use development, the project is scheduled to open in phases from late 2026. All buildings have reached superstructure topping-out. Façade, mechanical and electrical installation works for the office towers are in progress. The development is being undertaken in partnership with China Life Insurance Company Limited. The Group has a 49.895% interest in this development.

Taikoo Li Xi'an

Taikoo Li Xi'an is located at the Small Wild Goose Pagoda historical and cultural zone in the Beilin district of Xi'an and is being developed as a retail-led mixed-use development comprising retail and cultural facilities, a hotel and serviced apartments. The estimated GFA is approximately 2.9 million square feet. Basement and superstructure works are in progress. The project is expected to be completed in phases from 2027. The development is being conducted in collaboration with Xi'an Cheng Huan Cultural Investment and Development Co., Ltd. The Group has a 70% interest in this development.

Taikoo Li Sanya

Strategically located in the heart of Haitang Bay National Coastal Recreation Park in Sanya, the development is our first-ever resort-style premium retail development including underground parking and other ancillary facilities, with a GFA of approximately 2.5 million square feet. In collaboration with China Tourism Group Duty Free Corporation Limited, the development will constitute Phase III of the Sanya International Duty-Free Complex. Superstructure, façade, mechanical and electrical installation, and interior fit-out works are in progress. The development is expected to be completed in phases from 2026. The Group has a 50% interest in this development.

Taikoo Li Qiantan (New Retail Phase) and Qiantan Place (formerly known as Shanghai New Bund Mixed-use Project)

Taikoo Li Qiantan (New Retail Phase) and Qiantan Place are situated within Shanghai's middle-ring road and span a site area of approximately 686,000 square feet. Located at the intersection of three Shanghai metro lines, the site is adjacent to the existing Taikoo Li Qiantan, our first joint venture development with the Lujiazui group. It is a mixed-use development comprising retail, office and residential components, with an approximate GFA of 4.1 million square feet (including below-ground retail space). The office towers and retail podium have been topped out, and façade and interior fit-out works are in progress. The development is expected to be completed in 2026. Approximately 98% of the total saleable area of the residential towers (Century Summit and Century Heights) had been pre-sold at 31st July 2026. The Group has a 40% interest in this development.

Lujiazui Taikoo Yuan, Shanghai

Jointly developed with the Lujiazui group, Lujiazui Taikoo Yuan, situated along the Huangpu River and within the inner-ring road in the Pudong district of Shanghai, is being developed into a mixed-use landmark comprising premium residential properties, retail, office and cultural facilities, and a hotel and serviced apartments. The estimated GFA is approximately 4.2 million square feet (including below-ground retail space), subject to relevant planning approval. All office towers in the West zone have been topped out. Superstructure works for the retail portion in the West zone have been completed, and façade and interior fit-out works are in progress. The development scheme in the East zone is being planned. The development is expected to be completed in phases from 2026. Pre-sales of the fourth, fifth and the final (sixth) batches of the residential units were launched in January, April and June 2026, respectively. 316 out of 378 units had been pre-sold for the six batches up to 31st July 2026. The Group has a 40% interest in this development.

Taikoo Li Julong Wan Guangzhou

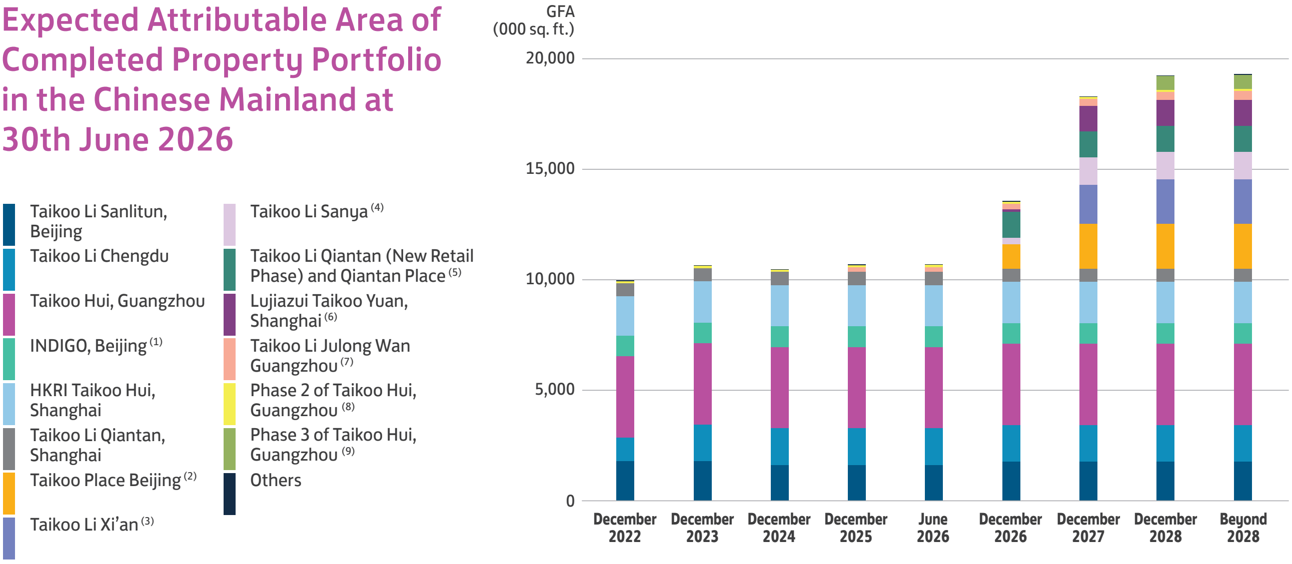
The Group is collaborating with the Guangzhou Pearl River Enterprises Group to develop the retail portion of a mixed-use development in the Liwan district of Guangzhou, the centre of the Guangzhou-Foshan metropolitan area. The entire development will have an approximate GFA of 5.7 million square feet. The Group has acquired and leased the retail site, with a GFA of approximately 835,000 square feet as of 30th June 2026. This will increase to approximately 1,615,000 square feet, subject to further transaction agreements. Phase 1 of the retail portion of the development, consisting of a range of retail, dining and lifestyle shops, as well as exhibition and event space, was opened progressively in December 2025, while basement and superstructure works for subsequent phases are in progress. The overall development is planned to be completed in phases from 2027. The Group has a 50% interest in the retail portion of this development.

Phase 3 of Taikoo Hui, Guangzhou

Taikoo Hui Guangzhou owns a property directly connected to the Taikoo Hui shopping mall which will form Phase 3 of Taikoo Hui. The building has an approximate GFA of 655,000 square feet and will be renovated to become a luxury retail extension of the shopping mall. Design development is in progress and the renovation is expected to be completed from 2028. The Group has a 97% interest in this property.

The chart below illustrates the expected attributable area of the completed property portfolio in the Chinese Mainland at 30th June 2026.

Expected Attributable Area of Completed Property Portfolio in the Chinese Mainland at 30th June 2026



(1) INDIGO forms part of Taikoo Place Beijing.

(2) The development is expected to be completed in phases from 2026.

(3) The development is expected to be completed in phases from 2027.

(4) The development is expected to be completed in phases from 2026. Project name has yet to be confirmed.

(5) Formerly known as Shanghai New Bund Mixed-use Project. The development is expected to be completed in 2026.

(6) The development is expected to be completed in phases from 2026.

(7) The development is expected to be completed in phases from 2027. GFA as shown above represented the retail sites acquired and leased as of 30th June 2026. The GFA will increase to approximately 1,615,000 square feet, subject to further relevant transaction agreements.

(8) The property is being renovated and is expected to be completed from 2027.

(9) The refurbishment of the property is expected to be completed from 2028.

Others

ZHANGYUAN, Shanghai

The Group holds a 60% interest in a joint venture management company with Shanghai Jing'an Real Estate (Group) Co. Ltd., which is engaged in the revitalisation and management of the ZHANGYUAN shikumen compound in the Jing'an district of Shanghai. Upon completion, the compound will have a GFA (including car parking spaces) of 673,871 square feet above ground and 956,949 square feet underground. The compound comprises over 40 shikumen blocks with approximately 170 two or three-storey houses and is connected to three metro lines and to HKRI Taikoo Hui. The first phase (the West zone) was completed and opened in November 2022. Construction and renovation works for the second phase (the East zone) are in progress. The activation zone of the second phase was opened progressively in June 2026 and the overall East zone is expected to be opened in phases from 2027. The Group does not have an ownership interest in the compound.

Valuation of Investment Properties

The portfolio of investment properties (on a market value basis) was valued at HK$271,871 million at 30th June 2026, compared to HK$268,313 million at 31st December 2025. Of this valuation, 99% by value was performed by Cushman & Wakefield Limited.

The increase in the valuation of the investment property portfolio primarily reflected additions during the first half of 2026 and a foreign exchange translation gain on investment properties in the Chinese Mainland, partly offset by the disposal of an investment property and the transfer of an investment property to assets classified as held for sale. The valuation of the investment property portfolio includes a reduction of 12.5 basis points in the capitalisation rates of certain office investment properties in Hong Kong.

Under HKAS 40, hotel properties are not accounted for as investment properties. The hotel buildings are included within property, plant and equipment. The leasehold land is included within right-of-use assets. Both are recorded at cost less accumulated depreciation or amortisation and any provision for impairment.

Property Trading

Overview

Approximately 6.6 million square feet are trading properties on an attributable basis. The trading portfolio comprises completed units available for sale at LA MONTAGNE and THE HEADLAND RESIDENCES in Hong Kong, as well as Savyavasa in Jakarta. There are seven residential projects under development; two in Hong Kong, two in the Chinese Mainland, one in Vietnam, one in Thailand and one in Miami, U.S.A.

Property Trading Portfolio (At 30th June 2026)

	GFA (sq. ft.) (100% Basis)	Actual/Expected Construction Completion Date	Attributable Interest
Completed			
Hong Kong			
– EIGHT STAR STREET, Wan Chai	– [(1)]	2022	100%
– LA MONTAGNE, Wong Chuk Hang	268,068 [(2)]	2024	25%
– 6 Deep Water Bay Road	– [(3)]	2025	100%
– THE HEADLAND RESIDENCES, Chai Wan	410,786 [(2)(4)]	2025 & 2026	80%
Indonesia			
– Savyavasa, South Jakarta	415,652 [(2)]	2025	50%
Under Development			
Hong Kong			
– 269 Queen's Road East, Wan Chai	102,990 [(5)]	2027	100%
– 983-987A King's Road and 16-94 Pan Hoi Street, Quarry Bay	405,443 [(6)(7)]	2028	50%
Chinese Mainland			
– Century Summit and Century Heights, Shanghai	1,159,057	2026	40%
– Lujiazui Taikoo Yuan Residences, Shanghai	1,222,751 [(7)(8)]	from 2026	40%
Vietnam			
– Empire City, Ho Chi Minh City	5,961,512	2032	15.73%
Thailand			
– Upper House Residences Bangkok and The Wireless Residences by Upper House, Bangkok	1,632,067 [(7)]	from 2030	40%
U.S.A.			
– The Residences at Mandarin Oriental, Miami (formerly known as Brickell Key Land and The Mandarin Oriental Miami), Florida	2,685,801 [(9)]	2030	100%

(1) Sold in June 2026.

(2) Remaining saleable area.

(3) Sale completed in March 2026.

(4) Excluding a retail shop of approximately 1,968 sq. ft.

(5) Excluding a retail podium of approximately 13,197 sq. ft.

(6) Excluding a retail podium of approximately 50,004 sq. ft.

(7) Total GFA subject to change.

(8) Excluding the public rental housing of approximately 71,925 sq. ft. to be handed over to the Government upon completion.

(9) Construction floor area of the project including hotel portion and is subject to change.

Hong Kong

EIGHT STAR STREET, Wan Chai

EIGHT STAR STREET at 8 Star Street, Wan Chai is a residential building (with retail outlets on the lowest two levels) of approximately 34,000 square feet. All 37 units had been sold at 31st July 2026. Sales of 36 units had been recognised up to 30th June 2026. The sale of the final unit is expected to be recognised in the second half of 2026.

LA MONTAGNE, Wong Chuk Hang

A joint venture formed by the Group, Kerry Properties Limited and Sino Land Company Limited is undertaking a residential development, LA MONTAGNE, in Wong Chuk Hang. This development comprises two residential towers (Phases 4A and 4B) with an aggregate GFA of approximately 638,000 square feet and 800 residential units. Pre-sales of Phase 4A started in July 2023. Sales on completion of Phase 4B started in May 2026. 360 out of 432 units in Phase 4A and 87 out of 368 units in Phase 4B had been sold at 31st July 2026. Sales of 345 units had been recognised up to 30th June 2026, with 56 sales in the first half of 2026. The handover of units to purchasers commenced in June 2025. The Group has a 25% interest in the joint venture.

6 Deep Water Bay Road

The sale of two houses at 6 Deep Water Bay Road, with an aggregate GFA of approximately 15,000 square feet, was completed in March 2026.

THE HEADLAND RESIDENCES, Chai Wan

A project company held 80% by the Group and 20% by China Motor Bus Company, Limited is redeveloping a plot of land in Chai Wan into THE HEADLAND RESIDENCES, a residential complex (with retail outlet) with an aggregate GFA of approximately 694,000 square feet. The occupation permits for Phase 1 and Phase 2 were obtained in August 2025 and June 2026 respectively. Interior fit-out works are in progress at the Phase 2 site. Pre-sales of the first batch started in September 2025. 354 out of 429 launched units in Phase 1 had been sold at 31st July 2026.

269 Queen's Road East, Wan Chai

The Group is developing a plot of land at 269 Queen's Road East in Wan Chai, primarily for residential use, with an aggregate GFA of approximately 116,000 square feet. Superstructure works are in progress. The development is expected to be completed in 2027.

983-987A King's Road and 16-94 Pan Hoi Street, Quarry Bay

A joint venture company in which the Group holds a 50% interest is redeveloping the sites at 983-987A King's Road and 16-94 Pan Hoi Street in Quarry Bay. Foundation works are in progress. The sites will be redeveloped for residential and retail uses with a GFA of approximately 455,000 square feet. The development is expected to be completed in 2028.

Hong Kong Residential Market Outlook

In Hong Kong, residential sales have been improving gradually, supported by lower interest rates and the relaxation of mortgage measures. Demand from the Chinese Mainland buyers remains a positive factor, although tighter controls on capital outflows and overseas property purchases may temper momentum, particularly in the luxury segment.

Chinese Mainland

The Group holds a 40% equity interest in two landmark developments in Shanghai's Pudong New Area: Taikoo Li Qiantan (New Retail Phase) and Qiantan Place, and Lujiazui Taikoo Yuan. Both developments include residential components, namely Century Summit and Century Heights within Taikoo Li Qiantan (New Retail Phase) and Qiantan Place, and Lujiazui Taikoo Yuan Residences within the Lujiazui Taikoo Yuan project.

Century Summit and Century Heights, Shanghai

The residential towers at Century Summit and Century Heights have been topped out, and façade and interior fit-out works are in progress. Approximately 98% of the total saleable area had been pre-sold at 31st July 2026, with an expected completion date in 2026.

Lujiazui Taikoo Yuan Residences, Shanghai

Lujiazui Taikoo Yuan Residences is the Company's flagship residential project in the Chinese Mainland, situated along the Huangpu River and within the inner-ring road in the Pudong district of Shanghai. The pre-sales of the fourth, fifth and the final (sixth) batches of 60, 56 and 72 residential units in Lujiazui Taikoo Yuan Residences started in January, April and June 2026 respectively. 316 out of the total 378 units had been pre-sold for all six batches up to 31st July 2026. The superstructure was topped out in September 2025 while façade and interior fit-out works are in progress, with an expected completion date from 2026 onwards.

Chinese Mainland Residential Market Outlook

In the Chinese Mainland, demand for high-quality residential developments in prime locations of Tier-1 cities is expected to remain strong in the near term. Premium projects in Shanghai continue to achieve robust sales, supported by measures introduced by the local government in February 2026 to relax purchasing restrictions and stimulate new demand. The successful launches of Lujiazui Taikoo Yuan Residences attracted strong market interest, highlighting sustained demand for premium riverfront apartments in Shanghai. The long-term outlook for Beijing and Shanghai's luxury residential markets is expected to remain stable.

Indonesia

The Group holds a 50% interest in a joint venture company which has developed a site in South Jakarta into Savyavasa, a residential development with an aggregate GFA of approximately 1,123,000 square feet. The development comprises 402 residential units across 3 towers. The SLF certificate (Indonesian Occupation Permit) was received in the fourth quarter of 2025. Handover of units to buyers began in 2026. 210 units, including all units in tower 1, had been sold at 31st July 2026. Sales of 64 units were recognised in the first half of 2026.

Vietnam

The Group has a minority investment in Empire City, a residential-led mixed-use development (with residential, retail, office, hotel and serviced apartment components) in Ho Chi Minh City. The development is under construction and is expected to be completed in phases up to 2032. The Group invested in the development through an agreement with Gaw Capital Partners, an existing participant in the development. All launched residential units, or approximately 43% of the total units of the whole project (which has been expanded), had been pre-sold or sold at 31st July 2026.

Thailand

The Group holds a 40% interest in a site located on Wireless Road in the Lumphini sub-district in Pathum Wan district, Bangkok. In partnership with City Realty Co. Ltd., the site is being developed for residential use with a site area of approximately 136,000 square feet, and substructure works are in progress. The development comprises two towers named Upper House Residences Bangkok and The Wireless Residences by Upper House with approximately 156 and 239 residential units, respectively, to be completed from 2030. VIP sales have commenced, and a sales gallery has opened in Bangkok.

U.S.A.

Pre-sales continue for The Residences at Mandarin Oriental, Miami, a luxury residential and hospitality project. The development will consist of two towers on Brickell Key. The first tower will comprise luxury private residences. The second tower will comprise a new Mandarin Oriental hotel as well as private residences and hotel residences. The former Mandarin Oriental hotel was demolished in April 2026 to pave the way for construction of the new development. Tentative project completion date is 2030. 60% of the residences have been pre-sold.

Vietnam, Thailand, Indonesia and U.S.A. Residential Market Outlook

South East Asia's luxury residential market continues to gain momentum, supported by economic growth, positive long-term fundamentals, a rising middle class and limited premium supply. Markets such as Ho Chi Minh City, Bangkok and Jakarta remain resilient. Despite some market uncertainty, the outlook for the luxury residential market in Miami remains robust. Florida remains an attractive destination for U.S.A. and international homebuyers due to its favourable climate and tax regime, as well as its location as a gateway city to and from Latin America.

Residential Property Management

The Group manages 18 residential estates which it has developed. It also manages OPUS HONG KONG, a residential property in Hong Kong which the Group redeveloped for Swire Pacific Limited. The management services include day to day assistance for residents, management, maintenance, cleaning, security and renovation of common areas and facilities. The Group places great emphasis on maintaining good relationships with residents.

Hotels

Overview

The Group owns and manages (through Swire Hotels) hotels in Hong Kong, the Chinese Mainland, and the U.S.A. Upper House, comprising Upper House Hong Kong, Upper House Chengdu, and Upper House Shanghai, is a group of small and distinctive luxury hotels. There are EAST hotels in Hong Kong, Beijing, and Miami. EAST Miami (owned by a third-party) has been managed by the Group under a third-party hotel management agreement. Expansion plans include new hotels in Tokyo in Japan and Shenzhen in the Chinese Mainland under management contracts, and in Beijing, Shanghai and Xi'an in the Chinese Mainland which will all be owned and managed by Swire Hotels. The Group also has interests in non-managed hotels in Hong Kong, Guangzhou and Shanghai.

The overall performance of managed hotels in Hong Kong and the Chinese Mainland improved compared with the same period in 2025, reflecting higher average occupancy and revenue per available room across the portfolio. The operating result of the managed hotel in the U.S.A. was strong.

The managed hotels (including restaurants and hotel management office) recorded an operating profit before depreciation of HK$61 million in the first half of 2026, compared with HK$25 million in the first half of 2025.

Hotel Portfolio (managed by Swire Hotels)

	No. of Rooms (100% Basis)	Attributable Interest
Completed		
Hong Kong		
– Upper House Hong Kong	117	100%
– EAST Hong Kong	331	100%
– Headland Hotel (1)	501	0%
Chinese Mainland		
– EAST Beijing	365	50%
– Upper House Chengdu (2)	142	100%
– Upper House Shanghai (2)	213	50%
U.S.A.		
– EAST Miami (3)	352	0%
Total	**2,021**	

(1) Headland Hotel is owned by Airline Property Limited, a wholly-owned subsidiary of Cathay Pacific Airways Limited.

(2) Comprising one hotel tower and one serviced apartment tower.

(3) EAST Miami (including serviced apartments in the hotel tower) is owned by a third party.

Hong Kong

The Group wholly-owns and manages (through Swire Hotels) two hotels in Hong Kong, Upper House Hong Kong, a 117-room luxury hotel at Pacific Place, and EAST Hong Kong, a 331-room hotel in Taikoo Shing.

The Group has a 20% interest in each of the JW Marriott, Conrad Hong Kong and Island Shangri-La hotels at Pacific Place and a 26.67% interest in each of the Novotel Citygate and The Silveri Hong Kong – MGallery in Tung Chung.

The performance of managed hotels in Hong Kong improved, driven by higher occupancy and room rates.

Chinese Mainland

Swire Hotels manages three hotels in the Chinese Mainland, EAST Beijing, a 365-room hotel at INDIGO in Beijing, Upper House Chengdu, luxury properties with 100 hotel rooms and 42 serviced apartments at Taikoo Li Chengdu, and Upper House Shanghai, luxury properties consisting of 111 hotel rooms and 102 serviced apartments at HKRI Taikoo Hui, Shanghai. The Group owns a 100% interest in Upper House Chengdu and a 50% interest in each of the EAST Beijing and Upper House Shanghai. The Group owns a 97% interest in, but does not manage, the Mandarin Oriental at Taikoo Hui in Guangzhou, which has 263 rooms and 24 serviced apartments. The Group owns a 50% interest in another non-managed hotel, The Sukhothai, at HKRI Taikoo Hui in Shanghai, which has 201 rooms.

The performance of the managed and non-managed hotels in the Chinese Mainland was mixed. Revenue per available room improved during the first half of 2026 across the portfolio.

U.S.A.

EAST Miami at the Brickell City Centre development in Miami is owned by a third party. It continues to be managed by Swire Hotels. Revenue per available room at EAST Miami improved due to higher room rates.

Hotels Market Outlook

The hotel business in Hong Kong is expected to remain competitive in the second half of 2026, with demand continuing to improve gradually. The hotel business in the Chinese Mainland is expected to remain stable in the second half of 2026, while the managed hotel business in the U.S.A. is expected to perform well in the second half of 2026.

We are expanding our hotel management business, with a focus on extending our hotel brands in Asia Pacific through hotel management agreements.

Development Highlight

TAIKOO LI JULONG WAN GUANGZHOU

Taikoo Li Julong Wan Guangzhou is our first Taikoo Li development in the Greater Bay Area. Located in Bai'etan in Guangzhou's Liwan District, the centre of the Guangzhou-Foshan metropolitan area, it is designed as an open-plan retail destination and a new riverside landmark for the city.

Developed in collaboration with the Guangzhou Pearl River Enterprises Group for the retail portion of a mixed-use development, the entire development will have an approximate GFA of 5.7 million sq ft. The Group has acquired and leased the retail site, with a GFA of approximately 835,000 sq ft as of 30th June 2026. This will increase to approximately 1,615,000 sq ft, subject to further transaction agreements.

Phase 1 was progressively opened from December 2025, consisting of a range of retail, dining and lifestyle shops, as well as exhibition and event space. Retail sales and footfall have been encouraging. At 30th June 2026, tenants had committed to 76% of the retail space of Phase 1, with 54% of lettable retail space already opened.

The development's design responds closely to its riverside setting, with a serene canal and a canopy of banyan trees creating a natural sense of openness, while green and sustainable principles are embedded across its design, construction and operations. It also pays salute to local culture and heritage. One shining example is the Dragon Gathering Fest held in June this year, which drew on the development's riverfront location to offer the community an immersive celebration of authentic Lingnan dragon boat traditions, including a dragon boat race on the Chongkou Canal.

Basement and superstructure works for subsequent phases are in progress. With completion expected in phases from 2027, the project is well positioned to become a distinctive new landmark in the Greater Bay Area. The Group has a 50% interest in the retail portion of this development.

First Riverside Taikoo Li Development

Estimated Completion Year	Estimated Gross Floor Area
From **2027**	**1,615,000 sq ft**

Owners

Swire Properties (50%)

Guangzhou Pearl River Enterprises Group (50%)

Capital Commitments

Capital Expenditure and Commitments

Capital expenditure in the first half of 2026 on Hong Kong investment properties and hotels, including the Group's share of the capital expenditure of joint venture companies, amounted to HK$360 million (first half of 2025: HK$766 million). Outstanding capital commitments at 30th June 2026 were HK$11,213 million (31st December 2025: HK$11,103 million), including the Group's share of the capital commitments of joint venture companies of HK$44 million (31st December 2025: HK$37 million).

Capital expenditure in the first half of 2026 on Chinese Mainland investment properties and hotels, including the Group's share of the capital expenditure of joint venture companies, amounted to HK$1,643 million (first half of 2025: HK$1,076 million). Outstanding capital commitments at 30th June 2026 were HK$17,411 million (31st December 2025: HK$18,350 million), including the Group's share of the capital commitments of joint venture companies of HK$9,247 million (31st December 2025: HK$9,748 million). The Group is committed to provide funding for HK$657 million (31st December 2025: HK$1,217 million) of the capital commitments of joint venture companies. In addition to this, the Group is committed to make capital injections into joint venture companies of HK$616 million (31st December 2025: HK$982 million).

Profile of Capital Commitments for Investment Properties and Hotels

	Expenditure	Forecast Expenditure				**Total Commitments** [1]	**Commitments relating to Joint Venture Companies** [2]
	Six months ended 30th June 2026 HK$M	Six months ending 31st December 2026 HK$M	2027 HK$M	2028 HK$M	2029 and later HK$M	**At 30th June 2026 HK$M**	**At 30th June 2026 HK$M**
Hong Kong	**360**	616	603	600	9,394	**11,213**	**44**
Chinese Mainland	**1,643**	4,601	6,846	3,045	2,919	**17,411**	**9,247**
Total	**2,003**	5,217	7,449	3,645	12,313	**28,624**	**9,291**

(1) The capital commitments (including those authorised by Directors but not contracted for) represent the Group's capital commitments of HK$19,333 million plus the Group's share of the capital commitments of joint venture companies of HK$9,291 million.

(2) The Group is committed to provide funding of HK$657 million for the capital commitments of joint venture companies.

Financing

Summary of Cash Flows

	Six months ended 30th June		Year ended 31st December
	2026 HK$M	2025 HK$M	2025 HK$M
Net cash from/(used in) businesses and investments			
Cash generated from operations	**6,456**	6,103	10,024
Dividends received	**153**	186	244
Tax paid	**(615)**	(549)	(1,199)
Net interest paid	**(772)**	(865)	(1,598)
Net cash (used in)/from investing activities	**(1,056)**	1,808	3,190
	4,166	6,683	10,661
Cash paid to shareholders and net (repayment of)/ funding by external debt			
Net (decrease)/increase in borrowings	**(1,014)**	6,540	(193)
Advances from associated companies	**463**	526	2,204
Purchase of interest in a subsidiary through the settlement of put option	**–**	(570)	(570)
Principal elements of lease payments	**(47)**	(43)	(92)
Repurchase of the Company's shares	**–**	(738)	(738)
Dividends paid	**(4,658)**	(4,491)	(6,506)
	(5,256)	1,224	(5,895)
(Decrease)/Increase in cash and cash equivalents	**(1,090)**	7,907	4,766

Medium Term Note Programme

In 2012, Swire Properties MTN Financing Limited, a wholly-owned subsidiary of the Company, established a US$3 billion Medium Term Note ("MTN") Programme. The aggregate nominal amount of the MTN Programme was increased to US$5 billion in 2025. Notes issued under the MTN Programme are unconditionally and irrevocably guaranteed by the Company. At 30th June 2026, the MTN Programme was rated A by Fitch and (P)A2 by Moody's, in each case in respect of notes with a maturity of more than one year.

The MTN Programme enables the Group to raise money directly from the capital markets. Under the MTN Programme, notes may be issued in United States dollars or in other currencies, in various amounts and for various tenors.

Changes in Financing

Financial Information Reviewed by Auditors
Analysis of Changes in Financing

	Six months ended 30th June 2026		Year ended 31st December 2025	
	Loans and bonds HK$M	**Lease liabilities HK$M**	Loans and bonds HK$M	Lease liabilities HK$M
At 1st January	**49,243**	**480**	48,347	520
Loans drawn and refinanced	**2,991**	**–**	10,420	–
Bonds issued	**3,890**	**–**	4,395	–
Bonds matured	**(7,038)**	**–**	(5,002)	–
Repayment of loans	**(857)**	**–**	(10,006)	–
New leases arranged during the period	**–**	**21**	–	33
Principal elements of lease payments	**–**	**(47)**	–	(92)
Currency adjustment	**955**	**16**	1,042	20
Other non-cash movements	**37**	**1**	47	(1)
At 30th June/31st December	**49,221**	**471**	49,243	480

Net Debt

Financial Information Reviewed by Auditors

Net debt at 30th June 2026 was HK$40,268 million, compared with HK$39,540 million at 31st December 2025. The increase in net debt principally reflected capital expenditure in Hong Kong and the Chinese Mainland.

The Group's borrowings are principally denominated in Hong Kong dollars and Renminbi. Outstanding borrowings at 30th June 2026 and 31st December 2025 were as follows:

	30th June 2026 HK$M	31st December 2025 HK$M
Borrowings included in non-current liabilities		
Bank borrowings	**22,328**	20,399
Bonds	**21,112**	19,495
Borrowings included in current liabilities		
Bank borrowings	**2,520**	1,898
Bonds	**3,261**	7,451
Total borrowings	**49,221**	49,243
Lease liabilities		
Included in non-current liabilities	**376**	390
Included in current liabilities	**95**	90
Less: short-term deposits and bank balances	**9,424**	10,183
Net debt	**40,268**	39,540

Sources of Finance

Financial Information Reviewed by Auditors

At 30th June 2026, committed loan facilities and debt securities amounted to HK$59,694 million, of which HK$10,339 million (17%) remained undrawn. In addition, the Group had undrawn uncommitted facilities totalling HK$400 million. Sources of funds at 30th June 2026 comprised:

	Available HK$M	**Drawn HK$M**	**Undrawn Expiring Within One Year HK$M**	**Undrawn Expiring After One Year HK$M**
Facilities from third parties				
Term loans	**18,183**	**12,844**	**–**	**5,339**
Revolving loans	**17,100**	**12,100**	**250**	**4,750**
Bonds	**24,411**	**24,411**	**–**	**–**
Total committed facilities	**59,694**	**49,355**	**250**	**10,089**
Uncommitted facilities				
Bank loans and overdrafts	**400**	**–**	**400**	**–**
Total	**60,094**	**49,355**	**650**	**10,089**

Note: The figures above are stated before unamortised loan fees of HK$134 million.

Maturity Profile and Refinancing

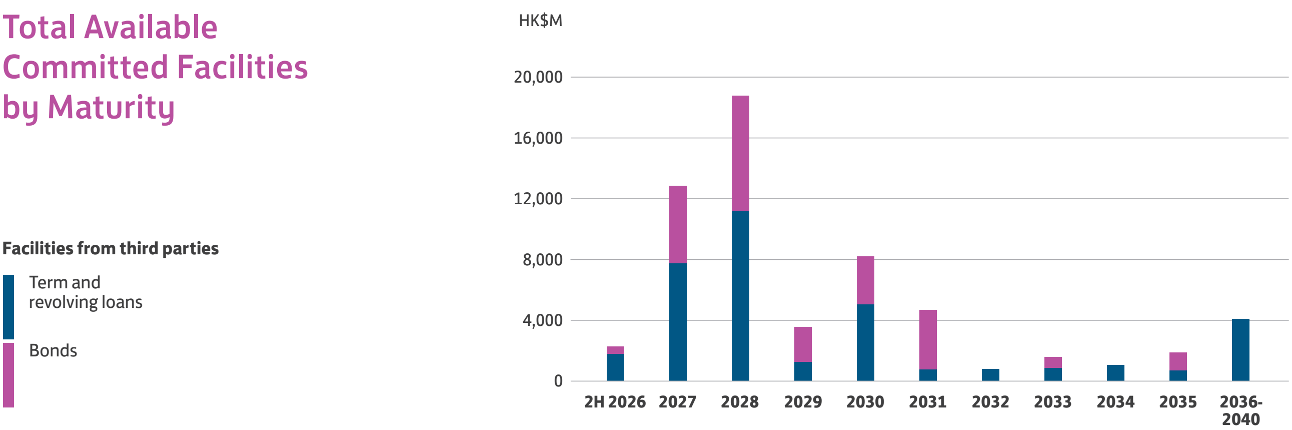
At 30th June 2026, bank loans and other borrowings are repayable on various dates up to 2040 (31st December 2025: up to 2040). The weighted average term and cost of the Group's debt are:

	30th June		31st December
	2026	2025	2025
Weighted average term of debt	**3.4 years**	3.2 years	3.3 years
Weighted average cost of debt	**3.3%**	3.6%	3.5%

Note: The weighted average cost of debt above is stated on gross debt basis.

The maturity profile of the Group's available committed facilities is set out below:

Total Available Committed Facilities by Maturity



Financial Information Reviewed by Auditors

The table below sets forth the maturity profile of the Group's borrowings:

	30th June 2026		31st December 2025	
	HK$M		HK$M	
Bank borrowings and bonds from third parties due				
Within 1 year	**5,781**	**12%**	9,349	19%
1-2 years	**17,584**	**36%**	11,572	23%
2-5 years	**20,517**	**41%**	23,583	48%
After 5 years	**5,339**	**11%**	4,739	10%
Total	**49,221**	**100%**	49,243	100%
Less: Amount due within one year included under current liabilities	**5,781**		9,349	
Amount due after one year included under non-current liabilities	**43,440**		39,894	

Currency Profile

Financial Information Reviewed by Auditors

An analysis of the carrying amounts of gross borrowings by currency (after cross-currency swaps) is shown below:

	30th June 2026		31st December 2025	
	HK$M		HK$M	
Currency				
Hong Kong dollars	**26,852**	**55%**	25,088	51%
Renminbi	**22,369**	**45%**	24,155	49%
Total	**49,221**	**100%**	49,243	100%

Finance Charges

Financial Information Reviewed by Auditors

At 30th June 2026, 67% of the Group's gross borrowings were on a fixed rate basis and 33% were on a floating rate basis (31st December 2025: 72% and 28% respectively). Interest charged and earned were as follows:

	Six months ended 30th June		Year ended 31st December
	2026 HK$M	2025 HK$M	2025 HK$M
Interest charged on:			
Bank loans and overdrafts	**344**	456	815
Bonds	**428**	431	875
Interest-bearing advances from joint venture companies and associated companies	**8**	4	9
Lease liabilities	**8**	9	17
Net fair value gains on derivative instruments			
Cash flow hedges – transferred from other comprehensive income	**(12)**	(10)	(5)
Cross-currency swaps not qualifying as hedges	**–**	(1)	(1)
Other financing costs	**73**	84	171
	849	973	1,881
Gains on the movement in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest	**–**	(74)	(74)
Capitalised on:			
Investment properties	**(92)**	(185)	(307)
Properties for sale	**(90)**	(171)	(282)
Hotel	**(3)**	–	–
	664	543	1,218
Interest income on:			
Short-term deposits and bank balances	**(59)**	(37)	(103)
Loans to joint venture and associated companies	**(57)**	(99)	(161)
	(116)	(136)	(264)
Net finance charges	**548**	407	954

Gearing Ratio and Interest Cover

	30th June		31st December
	2026	2025	2025
Gearing ratio (1)	**14.8%**	15.7%	14.6%

	Six months ended 30th June		Year ended 31st December
	2026	2025	2025
Interest cover – times (1)			
Per financial statements	**9.6**	0.9	2.1
Underlying	**10.6**	11.5	10.2
Cash interest cover – times (1)			
Per financial statements	**7.2**	0.5	1.3
Underlying	**7.9**	6.6	6.5

(1) Refer to Glossary on page 79 for definitions.

Debt in Joint Venture and Associated Companies

In accordance with HKFRS Accounting Standards, the net debt of the Group reported in the consolidated statement of financial position does not include the net debt of its joint venture and associated companies. These companies had the following net debt positions at 30th June 2026 and 31st December 2025:

	Net Debt of Joint Venture and Associated Companies		Portion of Net Debt Attributable to the Group		Debt Guaranteed by the Group	
	30th June 2026 HK$M	31st December 2025 HK$M	**30th June 2026 HK$M**	31st December 2025 HK$M	**30th June 2026 HK$M**	31st December 2025 HK$M
Hong Kong Entities	**7,293**	7,746	**3,389**	3,502	**2,633**	2,694
Chinese Mainland Entities	**9,222**	10,071	**5,139**	5,370	**–**	–
South East Asia Entities	**330**	360	**142**	159	**110**	155
Total	**16,845**	18,177	**8,670**	9,031	**2,743**	2,849

If the attributable portion of the net debt in joint venture and associated companies were to be added to the Group's net debt, gearing would rise to 17.9%.

Report on Review of Condensed Interim Financial Statements

羅兵咸永道

To the Board of Directors of Swire Properties Limited
(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the condensed interim financial statements set out on pages 54 to 76, which comprise the consolidated statement of financial position of Swire Properties Limited (the "Company") and its subsidiaries (together, the "Group") as at 30th June 2026 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" as 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 interim financial statements in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the HKICPA. Our responsibility is to express a conclusion on these condensed interim 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" as issued by the HKICPA. A review of interim financial information 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 interim financial statements of the Group are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the HKICPA.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 6th August 2026

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong SAR, China
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Condensed Interim Financial Statements

Consolidated Statement of Profit or Loss

For the six months ended 30th June 2026 – unaudited

	Note	Unaudited Six months ended 30th June 2026 HK$M	Unaudited Six months ended 30th June 2025 HK$M	Audited Year ended 31st December 2025 HK$M
Revenue	4	**9,413**	8,723	16,041
Cost of sales	5	**(3,854)**	(3,008)	(5,384)
Gross profit		**5,559**	5,715	10,657
Administrative and selling expenses		**(1,047)**	(1,136)	(2,273)
Other operating expenses	30	**(113)**	(110)	(192)
Other net gains/(losses)	6	**124**	(93)	(179)
Gains/(Losses) on disposal of subsidiary companies	31	**149**	(121)	40
Change in fair value of investment properties	13	**578**	(3,900)	(6,095)
Operating profit		**5,250**	355	1,958
Finance charges		**(664)**	(543)	(1,218)
Finance income		**116**	136	264
Net finance charges	8	**(548)**	(407)	(954)
Share of profit less losses of joint venture companies		**(253)**	(588)	(1,472)
Share of profit less losses of associated companies		**88**	49	214
Profit/(Loss) before taxation		**4,537**	(591)	(254)
Taxation	9	**(880)**	(610)	(1,297)
Profit/(Loss) for the period		**3,657**	(1,201)	(1,551)
Profit/(Loss) for the period attributable to:				
The Company's shareholders		**3,631**	(1,202)	(1,533)
Non-controlling interests		**26**	1	(18)
		3,657	(1,201)	(1,551)
		HK$	HK$	HK$
Earnings/(Loss) per share from profit/(loss) attributable to the Company's shareholders (basic and diluted)	11	**0.63**	(0.21)	(0.27)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Other Comprehensive Income

For the six months ended 30th June 2026 – unaudited

	Unaudited Six months ended 30th June		Audited Year ended 31st December
	2026 HK$M	2025 HK$M	2025 HK$M
Profit/(Loss) for the period	**3,657**	(1,201)	(1,551)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of properties previously occupied by the Group			
– losses recognised during the period	**(36)**	–	(21)
Defined benefit plans			
– remeasurement gains recognised during the period	**–**	–	77
– deferred tax	**–**	–	(13)
Net translation differences recognised during the period	**58**	57	81
	22	57	124
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges			
– gains/(losses) recognised during the period	**84**	(178)	(98)
– transferred to net finance charges	**(12)**	(10)	(5)
– transferred to operating profit	**3**	–	–
– deferred tax	**(12)**	31	16
Share of other comprehensive income of joint venture and associated companies recognised during the period	**1,057**	767	1,261
Net translation differences recognised during the period	**1,492**	1,031	1,560
	2,612	1,641	2,734
Other comprehensive income for the period, net of tax	**2,634**	1,698	2,858
Total comprehensive income for the period	**6,291**	497	1,307
Total comprehensive income attributable to:			
The Company's shareholders	**6,207**	439	1,244
Non-controlling interests	**84**	58	63
	6,291	497	1,307

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

At 30th June 2026 – unaudited

	Note	Unaudited 30th June 2026 HK$M	Audited 31st December 2025 HK$M
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	**3,419**	3,414
Investment properties	13	**271,955**	268,407
Intangible assets	14	**1,531**	1,494
Right-of-use assets	15	**2,484**	2,646
Properties held for development		**61**	60
Joint venture companies	16	**21,942**	21,460
Loans due from joint venture companies	16	**13,272**	13,197
Associated companies	17	**11,456**	10,979
Loans due from associated companies	17	**574**	571
Derivative financial instruments	19	**98**	–
Deferred tax assets	24	**487**	414
Financial assets at fair value through profit or loss		**681**	670
Other non-current assets	20	**283**	281
Retirement benefit assets		**128**	137
		328,371	323,730
Current assets			
Properties for sale		**14,193**	15,448
Stocks		**92**	90
Trade and other receivables	20	**4,602**	4,033
Derivative financial instruments	19	**–**	48
Cash and cash equivalents		**9,424**	10,183
		28,311	29,802
Assets classified as held for sale	21	**451**	–
		28,762	29,802
Current liabilities			
Trade and other payables	22	**14,747**	14,332
Contract liabilities		**3,001**	1,782
Taxation payable		**450**	304
Derivative financial instruments	19	**1**	3
Long-term loans and bonds due within one year		**5,781**	9,349
Lease liabilities due within one year	23	**95**	90
		24,075	25,860
Net current assets		**4,687**	3,942
Total assets less current liabilities		**333,058**	327,672
Non-current liabilities			
Long-term loans and bonds		**43,440**	39,894
Long-term lease liabilities	23	**376**	390
Derivative financial instruments	19	**1**	80
Other payables	22	**176**	356
Deferred tax liabilities	24	**16,090**	15,610
		60,083	56,330
NET ASSETS		**272,975**	271,342
EQUITY			
Share capital	25	**10,449**	10,449
Reserves	26	**260,612**	259,011
Equity attributable to the Company's shareholders		**271,061**	269,460
Non-controlling interests	27	**1,914**	1,882
TOTAL EQUITY		**272,975**	271,342

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the six months ended 30th June 2026 – unaudited

	Note	Unaudited Six months ended 30th June 2026 HK$M	2025 HK$M	Audited Year ended 31st December 2025 HK$M
Operating activities				
Cash generated from operations		**6,456**	6,103	10,024
Interest paid		**(824)**	(918)	(1,726)
Interest received		**52**	53	128
Tax paid		**(615)**	(549)	(1,199)
		5,069	4,689	7,227
Dividends received from joint venture and associate companies and financial assets at fair value through profit or loss		**153**	186	244
Net cash from operating activities		**5,222**	4,875	7,471
Investing activities				
Purchase of property, plant and equipment		**(96)**	(92)	(182)
Additions of investment properties		**(1,159)**	(1,080)	(1,958)
Purchase of intangible assets		**(12)**	(4)	(43)
Proceeds from disposal of investment properties		**3**	–	872
Proceeds from disposal of subsidiary companies, net of cash disposed of	31	**345**	3,908	4,524
Payment for acquisition of a subsidiary company, net of cash acquired		**–**	(272)	(272)
Purchase of financial assets at fair value through profit or loss		**(10)**	(6)	(32)
Equity to joint venture companies		**(329)**	(763)	(942)
Loans to joint venture companies		**(17)**	(84)	(108)
Repayment of loans by joint venture companies		**224**	205	1,335
Initial leasing costs incurred		**(5)**	(4)	(4)
Net cash (used in)/from investing activities		**(1,056)**	1,808	3,190
Net cash inflow before financing activities		**4,166**	6,683	10,661
Financing activities				
Loans drawn and refinanced		**2,991**	11,002	10,420
Bonds issued		**3,890**	565	4,395
Repayment of loans and bonds		**(7,895)**	(5,027)	(15,008)
Advances from associated companies		**463**	526	2,204
Principal elements of lease payments		**(47)**	(43)	(92)
		(598)	7,023	1,919
Purchase of interest in a subsidiary through the settlement of put option		**–**	(570)	(570)
Repurchase of the Company's shares		**–**	(738)	(738)
Dividends paid to the Company's shareholders		**(4,606)**	(4,386)	(6,401)
Dividends paid to non-controlling interests		**(52)**	(105)	(105)
Net cash (used in)/from financing activities		**(5,256)**	1,224	(5,895)
(Decrease)/Increase in cash and cash equivalents		**(1,090)**	7,907	4,766
Cash and cash equivalents at 1st January		**10,183**	5,212	5,212
Effect of exchange differences		**331**	135	205
Cash and cash equivalents at end of the period		**9,424**	13,254	10,183
Represented by:				
Bank balances and short-term deposits maturing within three months		**9,424**	13,254	10,183

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the six months ended 30th June 2026 – unaudited

	Attributable to the Company's shareholders					
	Share capital HK$M	Revenue reserve HK$M	Other reserves HK$M	Total HK$M	Non-controlling interests HK$M	Total equity HK$M
At 1st January 2026	**10,449**	**260,513**	**(1,502)**	**269,460**	**1,882**	**271,342**
Profit for the period	**–**	**3,631**	**–**	**3,631**	**26**	**3,657**
Other comprehensive income	**–**	**–**	**2,576**	**2,576**	**58**	**2,634**
Total comprehensive income for the period	**–**	**3,631**	**2,576**	**6,207**	**84**	**6,291**
Dividends paid	**–**	**(4,606)**	**–**	**(4,606)**	**(52)**	**(4,658)**
Transfer	**–**	**120**	**(120)**	**–**	**–**	**–**
At 30th June 2026 (unaudited)	**10,449**	**259,658**	**954**	**271,061**	**1,914**	**272,975**

	Attributable to the Company's shareholders					
	Share capital HK$M	Revenue reserve HK$M	Other reserves HK$M	Total HK$M	Non-controlling interests HK$M	Total equity HK$M
At 1st January 2025	10,449	269,080	(4,203)	275,326	3,101	278,427
(Loss)/Profit for the period	–	(1,202)	–	(1,202)	1	(1,201)
Other comprehensive income	–	–	1,641	1,641	57	1,698
Total comprehensive income for the period	–	(1,202)	1,641	439	58	497
Increase in share of net assets of subsidiary companies	–	–	–	–	193	193
Repurchase of the Company's shares	–	(709)	–	(709)	–	(709)
Derecognition upon disposal of subsidiary companies	–	–	–	–	(1,370)	(1,370)
Dividends paid	–	(4,386)	–	(4,386)	(105)	(4,491)
At 30th June 2025 (unaudited)	10,449	262,783	(2,562)	270,670	1,877	272,547

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

1. Segment Information

(a) Analysis of consolidated statement of profit or loss

	External revenue HK$M	Inter-segment revenue HK$M	Operating profit/(losses) after depreciation and amortisation HK$M	Finance charges HK$M	Finance income HK$M	Share of profit less losses of joint venture companies HK$M	Share of profit less losses of associated companies HK$M	Profit/(Losses) before taxation HK$M	Profit/(Losses) for the period HK$M	Profit/(Losses) attributable to the Company's shareholders HK$M
Six months ended 30th June 2026										
Property investment	**6,693**	**2**	**4,563**	**(664)**	**103**	**419**	**(3)**	**4,418**	**3,638**	**3,623**
Property trading	**2,200**	**–**	**113**	**–**	**13**	**17**	**–**	**143**	**134**	**137**
Hotels	**520**	**3**	**(4)**	**–**	**–**	**(15)**	**22**	**3**	**6**	**5**
Change in fair value of investment properties	**–**	**–**	**578**	**–**	**–**	**(674)**	**69**	**(27)**	**(121)**	**(134)**
Inter-segment elimination	**–**	**(5)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	9,413	**–**	**5,250**	**(664)**	**116**	**(253)**	**88**	**4,537**	**3,657**	**3,631**
Six months ended 30th June 2025										
Property investment	6,576	2	3,797	(539)	115	384	(3)	3,754	3,254	3,239
Property trading	1,706	–	511	–	21	(95)	2	439	237	239
Hotels	441	2	(53)	(4)	–	(11)	13	(55)	(46)	(45)
Change in fair value of investment properties	–	–	(3,900)	–	–	(866)	37	(4,729)	(4,646)	(4,635)
Inter-segment elimination	–	(4)	–	–	–	–	–	–	–	–
	8,723	–	355	(543)	136	(588)	49	(591)	(1,201)	(1,202)
Year ended 31st December 2025										
Property investment	13,014	4	7,663	(1,199)	223	716	(8)	7,395	6,391	6,363
Property trading	2,110	–	497	(12)	41	(169)	5	362	186	193
Hotels	917	5	(107)	(7)	–	(21)	32	(103)	(87)	(87)
Change in fair value of investment properties	–	–	(6,095)	–	–	(1,998)	185	(7,908)	(8,041)	(8,002)
Inter-segment elimination	–	(9)	–	–	–	–	–	–	–	–
	16,041	–	1,958	(1,218)	264	(1,472)	214	(254)	(1,551)	(1,533)

Note:
Sales between business segments are accounted for at competitive prices charged to unaffiliated customers for similar goods and services.

1. Segment Information (continued)

(b) Analysis of total assets of the Group

	Segment assets HK$M	Joint venture companies* HK$M	Associated companies* HK$M	Bank balances and short-term deposits HK$M	Total assets HK$M
At 30th June 2026					
Property investment	**279,082**	**28,070**	**4,069**	**8,808**	**320,029**
Property trading	**17,183**	**5,566**	**7,331**	**435**	**30,515**
Hotels	**4,200**	**1,578**	**630**	**181**	**6,589**
	300,465	**35,214**	**12,030**	**9,424**	**357,133**
At 31st December 2025					
Property investment	275,107	27,428	3,705	9,191	315,431
Property trading	17,729	5,697	7,220	816	31,462
Hotels	4,306	1,532	625	176	6,639
	297,142	34,657	11,550	10,183	353,532

* The assets relating to joint venture and associated companies include the loans due from these companies.

(c) Analysis of total liabilities and non-controlling interests of the Group

	Segment liabilities HK$M	Current and deferred tax liabilities HK$M	External borrowings HK$M	Lease liabilities HK$M	Total liabilities HK$M	Non-controlling interests HK$M
At 30th June 2026						
Property investment	**12,093**	**16,335**	**28,764**	**439**	**57,631**	**1,882**
Property trading	**5,573**	**205**	**20,063**	**32**	**25,873**	**(14)**
Hotels	**260**	**–**	**394**	**–**	**654**	**46**
	17,926	**16,540**	**49,221**	**471**	**84,158**	**1,914**
At 31st December 2025						
Property investment	11,682	15,731	27,435	462	55,310	1,839
Property trading	4,606	183	21,415	17	26,221	1
Hotels	265	–	393	1	659	42
	16,553	15,914	49,243	480	82,190	1,882

(d) Analysis of external revenue of the Group – Timing of revenue recognition

	At a point in time HK$M	Over time HK$M	Rental income on leases HK$M	Total HK$M
Six months ended 30th June 2026				
Property investment	**–**	**68**	**6,625**	**6,693**
Property trading	**2,200**	**–**	**–**	**2,200**
Hotels	**221**	**299**	**–**	**520**
	2,421	**367**	**6,625**	**9,413**
Six months ended 30th June 2025				
Property investment	–	67	6,509	6,576
Property trading	1,706	–	–	1,706
Hotels	199	242	–	441
	1,905	309	6,509	8,723

The Group is organised on a divisional basis: Property investment, Property trading and Hotels. The reportable segments within each of the three divisions are classified according to the nature of the business.

There are no significant differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

2. Basis of Preparation

(a) The unaudited condensed interim financial statements 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 and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The unaudited condensed interim financial statements are set out on pages 54 to 76 and also include the "Financial Information Reviewed by Auditors" in the Financing section on pages 47 to 52.

The financial information relating to the year ended 31st December 2025 that is included in this document as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements.

The non-statutory accounts (within the meaning of section 436 of the Companies Ordinance (Cap. 622) (the "Ordinance")) in this document are not specified financial statements (within such meaning). The specified financial statements for the year ended 31st December 2025 have been delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Ordinance. The Company's auditor has reported on those specified financial statements. That report was not qualified or otherwise modified, did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report and did not contain a statement under section 406(2) or 407(2) or (3) of the Ordinance.

The accounting policies and methods of computation and presentation used in the preparation of the condensed interim financial statements are consistent with those described in the 2025 annual financial statements except for those noted in 2(b) below.

(b) The following revised standards and amendments were adopted by the Group effective from 1st January 2026:

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11

The revised standards and amendments did not have a significant effect on the Group's consolidated financial statements or accounting policies.

Based on a preliminary assessment, except for HKFRS 18 which may have an impact on the presentation of the consolidated financial statements for the year ending 31st December 2027, none of the new and revised standards or amendments that have been issued but are not yet effective are expected to have a significant effect on the Group's consolidated financial statements.

(c) The preparation of the condensed interim financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. Those areas involving a higher degree of judgement or complexity and areas where assumptions and estimates are significant to the Group's consolidated financial statements are detailed in the 2025 annual financial statements.

2. Basis of Preparation (continued)

(d) In December 2021, the Organisation for Economic Co-operation and Development ("OECD") issued model rules for a new global minimum tax framework ("Pillar Two"), commonly known as BEPS 2.0, and various governments around the world have issued, or are in the process of issuing, legislation on this. Respective governments of the Group's operating regions (except for Hong Kong, Thailand and Vietnam) have not substantively enacted the legislation on Pillar Two as of the date of issuance of these 2026 interim financial statements. In conjunction with the ultimate holding company of the Group, an assessment was performed on the various regions in which the Group has operations and no material exposure was identified or recognised during the period ended 30th June 2026.

3. Financial Risk Management

In the normal course of business the Group is exposed to financial risks attributable to interest rates, currencies, credit and liquidity.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2025 annual financial statements. There have been no significant changes in the Group's financial risk management structure, policies and procedures since the year end.

4. Revenue

Revenue represents sales by the Company and its subsidiary companies to external customers which comprises:

	Six months ended 30th June		Year ended 31st December
	2026 HK$M	2025 HK$M	2025 HK$M
Gross rental income from investment properties	**6,625**	6,509	12,879
Property trading	**2,200**	1,706	2,110
Hotels	**520**	441	917
Rendering of other services	**68**	67	135
	9,413	8,723	16,041

5. Cost of Sales

	Six months ended 30th June		Year ended 31st December
	2026 HK$M	2025 HK$M	2025 HK$M
Direct rental outgoings in respect of investment properties	**1,545**	1,587	3,314
Property trading	**1,869**	1,007	1,214
Hotels	**440**	414	856
	3,854	3,008	5,384

6. Other Net Gains/(Losses)

	Six months ended 30th June		Year ended 31st December
	2026 HK$M	2025 HK$M	2025 HK$M
Losses on disposal of investment properties	**–**	–	(89)
Losses on disposal of property, plant and equipment	**(2)**	–	(5)
Net foreign exchange gains	**18**	45	17
Change in fair value of financial assets at fair value through profit or loss	**1**	–	–
Others	**107**	(138)	(102)
	124	(93)	(179)

7. Expenses by Nature

Expenses included in cost of sales, administrative and selling expenses, and other operating expenses are analysed as follows:

	Six months ended 30th June		Year ended 31st December
	2026 HK$M	2025 HK$M	2025 HK$M
Impairment charged on trade receivables	**–**	5	4
Depreciation of property, plant and equipment (note 12)	**156**	193	372
Depreciation of right-of-use assets			
– leasehold land held for own use	**15**	16	31
– property	**26**	24	48
Amortisation of			
– intangible assets (note 14)	**27**	27	53
– initial leasing costs in respect of investment properties	**15**	67	83
Staff costs (note (i))	**1,252**	1,198	2,423
Other lease expenses (note (ii))	**15**	15	31

Notes:

(i) The staff costs on a divisional basis are: Property investment of HK$969 million (30th June 2025: HK$927 million; year ended 31st December 2025: HK$1,881 million), Property trading of HK$55 million (30th June 2025: HK$55 million; year ended 31st December 2025: HK$114 million) and Hotels of HK$228 million (30th June 2025: HK$216 million; year ended 31st December 2025: HK$428 million).

(ii) These expenses relate to short-term leases and leases of low-value assets. They are directly charged to the consolidated statement of profit or loss and are not included in the measurement of lease liabilities under HKFRS 16.

8. Net Finance Charges

Refer to the table with the heading “Financial Information Reviewed by Auditors” on page 51 for details of the Group’s net finance charges.

9. Taxation

	Six months ended 30th June		Year ended 31st December
	2026 HK$M	2025 HK$M	2025 HK$M
Current taxation			
Hong Kong Profits Tax	**214**	240	424
Chinese Mainland Enterprise Income Tax ("EIT")	**420**	341	687
Other taxes	**99**	154	160
Under/(Over)-provisions in prior years	**31**	2	(33)
	764	737	1,238
Deferred taxation (note 24)			
Change in fair value of investment properties	**(26)**	12	52
Origination and reversal of temporary differences	**142**	(139)	7
	116	(127)	59
	880	610	1,297

Hong Kong Profits Tax is calculated at 16.5% (2025: 16.5%) on the estimated assessable profits for the period. Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the Chinese Mainland EIT is calculated at 25% (2025: 25%) on the estimated assessable profits for the period. Other taxes are calculated at tax rates applicable in jurisdictions in which the Group is assessable for tax.

The Group's share of joint venture companies' tax charges for the six months ended 30th June 2026 of HK$91 million (30th June 2025: HK$59 million; year ended 31st December 2025: HK$157 million) and share of associated companies' tax charges for the six months ended 30th June 2026 of HK$26 million (30th June 2025: HK$13 million; year ended 31st December 2025: HK$62 million) respectively, are included in the share of results of joint venture and associated companies as shown in the consolidated statement of profit or loss.

10. Dividends

	Six months ended 30th June		Year ended 31st December
	2026 HK$M	2025 HK$M	2025 HK$M
First interim dividend declared on 6th August 2026 of HK$0.37 per share (2025 first interim dividend paid on 9th October 2025: HK$0.35 per share)	**2,130**	2,015	2,015
Second interim dividend paid on 7th May 2026 of HK$0.80 per share	**–**	–	4,606
	2,130	2,015	6,621

The first interim dividend is not accounted for in the condensed interim financial statements because it had not been declared at the period end date.

10. Dividends (continued)

The Directors have declared a first interim dividend of HK$0.37 (2025: HK$0.35) per share for the year ending 31st December 2026. The first interim dividend, which totals HK$2,130 million (2025: HK$2,015 million), will be paid on Thursday, 8th October 2026 to shareholders registered at the close of business on the record date, being Friday, 4th September 2026. Shares of the Company will be traded ex-dividend as from Wednesday, 2nd September 2026.

The register of members will be closed on Friday, 4th September 2026, during which day no transfer of shares will be effected. In order to qualify for entitlement to the first interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 3rd September 2026.

11. Earnings/(Loss) Per Share (Basic and Diluted)

Basic earnings (30th June 2025: loss; 31st December 2025: loss) per share is calculated by dividing the profit attributable to the Company's shareholders for the period ended 30th June 2026 of HK$3,631 million (30th June 2025: loss of HK$1,202 million; year ended 31st December 2025: loss of HK$1,533 million) by the weighted average number of 5,757,484,800 ordinary shares in issue during the period (30th June 2025: 5,780,152,695 ordinary shares; 31st December 2025: 5,768,725,592 ordinary shares).

Diluted earnings/(loss) per share is equal to basic earnings/(loss) per share as there was no dilutive potential share outstanding for the period ended 30th June 2026 (30th June 2025 and 31st December 2025: same).

12. Property, Plant and Equipment

	Property, plant and equipment HK$M
Cost:	
At 1st January 2026	6,611
Translation differences	105
Additions	121
Disposals	(43)
Net transfers to investment properties	(19)
At 30th June 2026	**6,775**
Accumulated depreciation and impairment:	
At 1st January 2026	3,197
Translation differences	49
Charge for the period (note 7)	156
Disposals	(41)
Transfer to investment properties	(5)
At 30th June 2026	**3,356**
Net book value:	
At 30th June 2026	**3,419**
At 1st January 2026	3,414

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

13. Investment Properties

	Completed HK$M	Under Development HK$M	Total HK$M
At 1st January 2026	247,384	20,929	268,313
Translation differences	2,175	266	2,441
Additions	316	752	1,068
Net transfers from property, plant and equipment	14	–	14
Net transfers from right-of-use assets	113	–	113
Transfer to assets classified as held for sale	(451)	–	(451)
Disposal of a subsidiary company (note 31)	(202)	–	(202)
Disposal	–	(3)	(3)
Net fair value gains/(losses)	880	(302)	578
	250,229	21,642	271,871
Add: Initial leasing costs	84	–	84
At 30th June 2026	**250,313**	**21,642**	**271,955**
At 1st January 2026 (including initial leasing costs)	247,478	20,929	268,407

14. Intangible Assets

	Goodwill HK$M	Computer Software HK$M	Others HK$M	Total HK$M
Cost:				
At 1st January 2026	1,354	484	5	1,843
Translation differences	50	2	–	52
Additions	–	12	–	12
At 30th June 2026	**1,404**	**498**	**5**	**1,907**
Accumulated amortisation:				
At 1st January 2026	–	344	5	349
Amortisation for the period (note 7)	–	27	–	27
At 30th June 2026	**–**	**371**	**5**	**376**
Net book value:				
At 30th June 2026	**1,404**	**127**	**–**	**1,531**
At 1st January 2026	1,354	140	–	1,494

15. Right-of-use Assets

The Group (acting as lessee) leases land, offices, warehouses and equipment. Except for certain long-term leasehold land in Hong Kong, rental contracts are typically made for fixed periods of 1 to 50 years but may have extension and early termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The recognised right-of-use assets relate to the following types of assets:

	30th June 2026 HK$M	31st December 2025 HK$M
Leasehold land held for own use	**2,383**	2,543
Property	**101**	103
	2,484	2,646

Additions to right-of-use assets during the six months ended 30th June 2026 were HK$21 million (30th June 2025: HK$6 million; year ended 31st December 2025: HK$33 million).

Properties occupied by the Group are transferred to investment properties following the end of occupation by the Group. The valuation decrease from carrying amount to fair value in respect of such transfers during the period ended 30th June 2026 was HK$36 million (30th June 2025: nil; year ended 31st December 2025: HK$21 million).

During the six months ended 30th June 2026, total cash outflow for leases was included in the consolidated statement of cash flows as (a) interest paid of HK$8 million (30th June 2025: HK$9 million; year ended 31st December 2025: HK$17 million) under "operating activities", (b) payment for short-term and low-value assets leases of HK$15 million (30th June 2025: HK$15 million; year ended 31st December 2025: HK$31 million) recorded in cash generated from operations under "operating activities" and (c) principal elements of lease payments of HK$47 million (30th June 2025: HK$43 million; year ended 31st December 2025: HK$92 million) under "financing activities".

16. Interests in Joint Venture Companies

	30th June 2026 HK$M	31st December 2025 HK$M
Share of net assets, unlisted	**21,942**	21,460
Loans due from joint venture companies less provisions		
– Interest-free	**10,395**	10,181
– Interest-bearing	**2,877**	3,016
	13,272	13,197

17. Interests in Associated Companies

	30th June 2026 HK$M	31st December 2025 HK$M
Share of net assets, unlisted	**10,754**	10,303
Goodwill	**702**	676
	11,456	10,979
Loans due from associated companies less provisions		
– Interest-free	**236**	233
– Interest-bearing	**338**	338
	574	571

18. Fair Value Measurement of Financial Instruments

(a) Financial instruments that are measured at fair value are included in the following fair value hierarchy:

	Level 1 HK$M	Level 2 HK$M	Level 3 HK$M	Total carrying amount HK$M
Assets as per consolidated statement of financial position				
At 30th June 2026				
Derivatives used for hedging (note 19)	**–**	**98**	**–**	**98**
Financial assets at fair value through profit or loss				
– Listed equity investments	**14**	**–**	**–**	**14**
– Unlisted equity investments	**–**	**–**	**667**	**667**
	14	**98**	**667**	**779**
At 31st December 2025				
Derivatives used for hedging (note 19)	–	48	–	48
Financial assets at fair value through profit or loss				
– Unlisted equity investments	–	–	670	670
	–	48	670	718
Liabilities as per consolidated statement of financial position				
At 30th June 2026				
Derivatives used for hedging (note 19)	**–**	**2**	**–**	**2**
At 31st December 2025				
Derivatives used for hedging (note 19)	–	83	–	83

Notes:

The levels in the hierarchy represent the following:

Level 1 – Financial instruments measured at fair value using quoted prices in active markets.

Level 2 – Financial instruments measured at fair value using inputs other than quoted prices but where those inputs are based on observable market data.

Level 3 – Financial instruments measured at fair value using inputs not based on observable market data.

18. Fair Value Measurement of Financial Instruments (continued)

The change in level 3 financial instruments for the period ended 30th June 2026 is as follows:

	Financial assets at fair value through profit or loss HK$M
At 1st January 2026	670
Additions	10
Transfer out of level 3 (Note)	(22)
Change in fair value recognised in profit or loss*	9
At 30th June 2026	**667**
***Including unrealised gains recognised on balances held at 30th June 2026**	**9**

Note:
An unlisted investment has been transferred from level 3 to level 1 after it became a listed investment.

There has been no change in valuation techniques for level 2 and level 3 fair value hierarchy classifications.

The fair value of derivatives used for hedging in level 2 is based on quotes from market makers or alternative market participants supported by observable inputs. The most significant observable inputs are market interest rates, exchange rates and yields.

The fair value of unlisted equity investments classified within level 3 is determined by net assets value of the fund statements or other applicable valuation techniques, which use assumptions that are based on market conditions existing at each period-end date. The significant unobservable inputs used are yields and market prices. Changing these unobservable inputs based on reasonable alternative assumptions would not significantly change the valuation of the investments.

(b) Fair values of financial assets and liabilities carried at other than fair value:

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost are not significantly different from their fair values at 30th June 2026 and 31st December 2025 except for the following financial liabilities, for which their carrying amounts and fair values are disclosed below:

	30th June 2026		31st December 2025	
	Carrying amount HK$M	**Fair value HK$M**	Carrying amount HK$M	Fair value HK$M
Long-term loans and bonds	**49,221**	**49,382**	49,243	49,351

19. Derivative Financial Instruments

The Group uses derivative financial instruments solely for management of an underlying risk. The Group minimises its exposure to market risk since gains and losses on derivatives offset the losses and gains on the assets, liabilities or transactions being hedged. It is the Group's policy not to enter into derivative transactions for speculative purposes.

	30th June 2026		31st December 2025	
	Assets HK$M	**Liabilities HK$M**	Assets HK$M	Liabilities HK$M
Interest rate and cross-currency swaps – cash flow hedges				
– due within one year	**–**	**1**	48	3
– due after one year	**98**	**1**	–	80

20. Trade and Other Receivables

	30th June 2026 HK$M	31st December 2025 HK$M
Trade receivables	**376**	416
Prepayments and accrued income	**57**	83
Other non-current assets	**283**	281
Other receivables	**4,169**	3,534
	4,885	4,314
Amounts due after one year included under non-current assets	**(283)**	(281)
	4,602	4,033

The analysis of the age of trade receivables at the period end (based on their invoice dates) is as follows:

	30th June 2026 HK$M	31st December 2025 HK$M
Up to 3 months	**351**	392
Between 3 and 6 months	**12**	18
Over 6 months	**13**	6
	376	416

There is no concentration of credit risk with respect to trade and other receivables, as the Group has a large number of customers.

The Group does not grant any credit terms to its customers, except to corporate customers in the hotel division where commercial trade credit terms are given.

The other non-current assets represents a contingent consideration for the sale of the Group's interests in the investment properties at Brickell City Centre in Miami, U.S.A. In accordance with the sale and purchase agreement, the contingent consideration is to be received in 2028, on the 45th day following the third anniversary of the completion of the disposal in 2025.

21. Assets Classified as Held for Sale

As at 30th June 2026, assets classified as held for sale represented the Group's interest in the investment properties of the 44th floor of One Island East office tower in Hong Kong. In November 2023, the Group and the Securities and Futures Commission ("SFC") entered into sale and purchase agreements for the sale of the Group's interest of 12 floors of One Island East office tower to the SFC, of which the sale of nine floors and one floor were completed in 2023 and 2025, respectively. Management believes that the disposal of the 44th floor, for a consideration of HK$451 million, is highly probable within one year.

22. Trade and Other Payables

	30th June 2026 HK$M	31st December 2025 HK$M
Trade payables	**721**	831
Rental deposits from tenants	**3,036**	2,936
Deposits received on sale of investment properties	**356**	356
Other payables		
Accrued capital expenditure	**1,151**	1,408
Amounts due to an intermediate holding company	**123**	93
Amounts due to associated companies	**47**	56
Advances from a non-controlling interest	**1,568**	1,710
Interest-bearing advances from associated companies	**4,970**	4,342
Others	**2,951**	2,956
	10,810	10,565
	14,923	14,688
Amounts due after one year included under non-current liabilities	**(176)**	(356)
	14,747	14,332

The analysis of the age of trade payables at the period end (based on their invoice dates) is as follows:

	30th June 2026 HK$M	31st December 2025 HK$M
Up to 3 months	**721**	831

23. Lease Liabilities

	30th June 2026 HK$M	31st December 2025 HK$M
Maturity profile at the period end is as follows:		
Within 1 year	**95**	90
Between 1 and 2 years	**68**	77
Between 2 and 5 years	**172**	157
Over 5 years	**136**	156
	471	480
Amounts due within one year included under current liabilities	**(95)**	(90)
	376	390

24. Deferred Taxation

The movement on the net deferred tax liabilities account is as follows:

	HK$M
At 1st January 2026	15,196
Translation differences	411
Disposal of a subsidiary company (note 31)	(2)
Charged to profit or loss (note 9)	116
Credited to other comprehensive income	(118)
At 30th June 2026	**15,603**
Represented by:	
Deferred tax assets	(487)
Deferred tax liabilities	16,090
	15,603

25. Share Capital

	Ordinary shares	HK$M
Issued and fully paid with no par value:		
At 1st January 2026	5,757,484,800	10,449
At 30th June 2026	**5,757,484,800**	**10,449**

During the period, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's shares.

26. Reserves

	Revenue reserve HK$M	Merger reserve HK$M	Property revaluation reserve HK$M	Cash flow hedge reserve HK$M	Translation reserve HK$M	Total HK$M
At 1st January 2026	260,513	(1,108)	2,015	(89)	(2,320)	259,011
Profit for the period	3,631	–	–	–	–	3,631
Other comprehensive income						
Revaluation of properties previously occupied by the Group						
– losses recognised during the period	–	–	(36)	–	–	(36)
Cash flow hedges						
– gains recognised during the period	–	–	–	84	–	84
– transferred to net finance charges	–	–	–	(12)	–	(12)
– transferred to operating profit	–	–	–	3	–	3
– deferred tax	–	–	–	(12)	–	(12)
Share of other comprehensive income of joint venture and associated companies recognised during the period	–	–	–	–	1,057	1,057
Net translation differences recognised during the period	–	–	–	–	1,492	1,492
Total comprehensive income for the period	3,631	–	(36)	63	2,549	6,207
2025 second interim dividend (note 10)	(4,606)	–	–	–	–	(4,606)
Transfer	120	–	(120)	–	–	–
At 30th June 2026	**259,658**	**(1,108)**	**1,859**	**(26)**	**229**	**260,612**

Note:
The Group's revenue reserve at 30th June 2026 includes HK$2,130 million representing the declared first interim dividend for the year ending 31st December 2026 (31st December 2025: HK$4,606 million representing the second interim dividend for 2025) (note 10).

27. Non-controlling Interests

The movement of non-controlling interests during the period is as follows:

	HK$M
At 1st January 2026	1,882
Share of profit less losses for the period	26
Share of net translation differences	58
Share of total comprehensive income for the period	84
Dividends paid	(52)
At 30th June 2026	**1,914**

28. Capital Commitments

	30th June 2026 HK$M	31st December 2025 HK$M
The Group's outstanding capital commitments at the end of the period in respect of:		
Property, plant and equipment	**139**	173
Investment properties	**4,316**	4,441
	4,455	4,614
The Group's share of capital commitments of joint venture companies at the end of the period (Note)	**3,480**	3,392

Note:
Of which the Group is committed to provide funding for HK$657 million (31st December 2025: HK$1,217 million).

At 30th June 2026, the Group was committed to inject capital of HK$616 million (31st December 2025: HK$982 million) into joint venture companies.

29. Contingencies

Guarantees outstanding at the end of the period in respect of bank loans and other liabilities of joint venture companies totalled HK$2,743 million (31st December 2025: HK$2,849 million). Bank guarantees given in lieu of utility deposits and others totalled HK$61 million at the end of the period (31st December 2025: HK$61 million).

30. Related Party Transactions

There is an agreement for services ("Services Agreement"), in respect of which John Swire & Sons (H.K.) Limited ("JS&SHK"), an intermediate holding company, provides services to various companies in the Group and under which costs are reimbursed and fees are payable. In return for these services, JS&SHK receives annual fees calculated as 2.5% of the Group's relevant consolidated profit before taxation and non-controlling interests after certain adjustments. The Services Agreement was renewed on 1st October 2025 for three years expiring on 31st December 2028. For the six months ended 30th June 2026, service fees payable amounted to HK$113 million (30th June 2025: HK$110 million). Expenses of HK$93 million (30th June 2025: HK$96 million) were reimbursed at cost; in addition, HK$65 million (30th June 2025: HK$70 million) in respect of shared administrative services was reimbursed.

30. Related Party Transactions (continued)

Under a tenancy framework agreement (the "Tenancy Framework Agreement") between JS&SHK, Swire Pacific Limited ("Swire Pacific") and the Company dated 14th August 2014, members of the Group enter into tenancy agreements with members of the JS&SHK group and members of the Swire Pacific group from time to time on normal commercial terms based on prevailing market rentals. The Tenancy Framework Agreement was renewed on 1st October 2024 for a term of three years expiring on 31st December 2027. For the six months ended 30th June 2026, the aggregate rentals payable to the Group by members of the JS&SHK group and members of the Swire Pacific group under tenancies to which the Tenancy Framework Agreement applies amounted to HK$42 million (30th June 2025: HK$57 million) and HK$26 million (30th June 2025: HK$24 million) respectively. These amounts are included under "Rental revenue" to the intermediate holding company and fellow subsidiary companies, respectively, in the summary of related party transactions below within this note.

The above related party transactions constitute continuing connected transactions of the Company, in respect of which the Company has complied with the requirements under Chapter 14A of the Listing Rules.

In addition, the following is a summary of significant transactions between the Group and related parties (including transactions under the Tenancy Framework Agreement), which were carried out in the normal course of the Group's business. The summary does not include transaction amounts relating to the Services Agreements which are disclosed above in the first paragraph under this note.

		For the six months ended 30th June									
		Joint venture companies[d]		Associated companies[d]		Fellow subsidiary companies[e]		Intermediate holding company[e]		Other related parties[d]	
	Note	**2026 HK$M**	2025 HK$M	**2026 HK$M**	2025 HK$M	**2026 HK$M**	2025 HK$M	**2026 HK$M**	2025 HK$M	**2026 HK$M**	2025 HK$M
Purchase of services	*(a)*	**–**	–	**–**	–	**18**	19	**–**	–	**–**	–
Rendering of services	*(a)*	**45**	39	**–**	–	**–**	–	**1**	1	**–**	–
Rental revenue	*(b)*	**–**	–	**–**	–	**26**	24	**42**	57	**1**	1
Rental expenses	*(b)*	**7**	7	**–**	–	**–**	–	**–**	–	**–**	–
Revenue from hotels		**7**	6	**–**	–	**1**	1	**1**	1	**2**	2
Interest income	*(c)*	**46**	71	**11**	28	**–**	–	**–**	–	**–**	–
Interest charges	*(c)*	**–**	–	**8**	4	**–**	–	**–**	–	**–**	–

Notes:

(a) Purchase and rendering of services from and to related parties were conducted in the normal course of business at prices and on terms no less favourable to the Group than those charged by/to and contracted with other suppliers/customers of the Group.

(b) The Group has, in the normal course of its business, entered into lease agreements with related parties to lease premises for varying periods up to six years. The leases were entered into on normal commercial terms.

(c) Loans advanced to joint venture and associated companies at 30th June 2026 are disclosed in notes 16 and 17. Advances from associated companies are disclosed in note 22.

(d) The transactions with these entities do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

(e) The transactions within these entities constitute exempt or non-exempt connected transactions of the Company, in respect of which the Company has complied with the requirements under Chapter 14A of the Listing Rules. The revenue of HK$26 million and HK$42 million (from rental of properties) (30th June 2025: HK$24 million and HK$57 million) relate to the non-exempt continuing connected transactions under the Tenancy Framework Agreement.

31. Disposal of a subsidiary company

	2026 HK$M
Net assets disposed of:	
Investment properties	202
Trade and other receivables	1
Trade and other payables	(5)
Deferred tax liabilities	(2)
	196
Gain on disposal	149
	345
Satisfied by:	
Cash received (net of transaction costs)	345

During the period ended 30th June 2026, the disposal of a subsidiary company consists of the sale of the Group's interests in a property in Hong Kong.

Supplementary Information

Corporate Governance

The Company complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 to the Listing Rules throughout the accounting period covered by the interim report.

The Company has adopted codes of conduct regarding securities transactions by Directors and by relevant employees (as defined in the CG Code) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules.

On specific enquiries made, all the Directors of the Company have confirmed that, in respect of the accounting period covered by the interim report, they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions.

The interim results have been reviewed by the Audit Committee of the Company and by the external auditors.

Purchase, Sale or Redemption of the Company's Listed Shares

During the accounting period covered by the interim report, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares.

Directors' Information

Changes in Directors and their particulars are set out as follows:

1. With effect from the conclusion of the Company's annual general meeting held on 12th May 2026:
   (i) Fanny Lung resigned as an Executive Director and the Chief Financial Officer of the Company;
   (ii) Roy Shearer was appointed as an Executive Director and the Chief Financial Officer of the Company;
   (iii) Martin Murray ceased to be a Non-Executive Director and a member of the Audit Committee of the Company, but has retained an observer role on the Audit Committee; and
   (iv) David Cogman was appointed as a Non-Executive Director and a member of the Audit Committee of the Company.

2. Guy Bradley was re-designated from a Non-Executive Director to an Executive Director of Cathay Pacific Airways Limited and was elected Chairman of its Board with effect from the conclusion of its annual general meeting held on 13th May 2026. He was also elected Chairman of Swire Coca-Cola Limited with effect from 13th May 2026.

Directors' Interests

At 30th June 2026, the register maintained under Section 352 of the Securities and Futures Ordinance ("SFO") showed that Directors held the following interests in the shares of the Company's associated corporation (within the meaning of Part XV of the SFO), John Swire & Sons Limited:

	Capacity					
	Beneficial Interest					
	Personal	Family	Trust Interest	Total No. of Shares	Percentage of Issued Share Capital (comprised in the class) (%)	Note
John Swire & Sons Limited						
Ordinary Shares of £1						
Adam Fenwick	–	–	3,136,000	3,136,000	3.14	(1)
Merlin Swire	2,194,883	630,000	21,564,708	24,389,591	24.39	(2)
8% Cum. Preference Shares of £1						
Adam Fenwick	–	–	2,822,400	2,822,400	3.14	(1)
Merlin Swire	3,967,325	–	16,917,930	20,885,255	23.21	(2)

Notes:

(1) Adam Fenwick was a trustee of a trust which held 3,136,000 ordinary shares and 2,822,400 preference shares in John Swire & Sons Limited included under trust interest and did not have any beneficial interest in those shares.

(2) Merlin Swire was a trustee and/or a potential beneficiary of trusts which held 10,241,372 ordinary shares and 6,705,528 preference shares in John Swire & Sons Limited included under trust interest and did not have any beneficial interest in those shares.

Other than as stated above, no Director or Chief Executive of the Company had any interest or short position, whether beneficial or non-beneficial, in the shares or underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Substantial Shareholders' and Other Interests

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that at 30th June 2026 the Company had been notified of the following interests in the shares of the Company held by substantial shareholders and other persons:

Long position	Number of Shares	Percentage of Voting Shares (%)	Type of Interest	Note
Swire Pacific Limited	4,796,765,835	83.31	Beneficial owner	(1)
John Swire & Sons Limited	4,796,765,835	83.31	Attributable interest	(2)

Notes:

(1) Swire Pacific Limited was interested in 4,796,765,835 shares of the Company as beneficial owner.

(2) John Swire & Sons Limited and its wholly-owned subsidiary John Swire & Sons (H.K.) Limited were deemed to be interested in a total of 4,796,765,835 shares of the Company, in which Swire Pacific Limited was interested, by virtue of the John Swire & Sons Limited group being interested in 64.45% of the equity of Swire Pacific Limited and controlling 70.97% of the voting rights attached to shares in Swire Pacific Limited.

Glossary

Terms

References in this document to Hong Kong are to Hong Kong SAR ("HKSAR").

Attributable gross rental income Gross rental income less amount shared by non-controlling interests plus the Group's share of gross rental income of joint venture and associated companies, and adjusted with related rental concession recognised in the consolidated statement of profit or loss.

Equity attributable to the Company's shareholders Equity before non-controlling interests.

Gross borrowings Total of loans, bonds and overdrafts.

Net debt Total borrowings and lease liabilities less short-term deposits and bank balances.

Underlying profit Reported profit adjusted principally for the impact of (i) changes in the fair value of investment properties, (ii) deferred tax on investment properties and (iii) amortisation of right-of-use assets reported under investment properties.

Recurring underlying profit Underlying profit adjusted for significant credits and charges of a non-recurring nature, including gains or losses on the sale of interests in investment properties and properties held for development.

Ratios

$$\text{Earnings/(Loss) per share} = \frac{\text{Profit/(Loss) attributable to the Company's shareholders}}{\text{Weighted average number of shares in issue during the period}}$$

$$\text{Equity attributable to the Company's shareholders per share} = \frac{\text{Equity before non-controlling interests}}{\text{Number of shares in issue at the end of the period}}$$

$$\text{Interest cover} = \frac{\text{Operating profit}}{\text{Net finance charges}}$$

$$\text{Cash interest cover} = \frac{\text{Operating profit}}{\text{Total of net finance charges and capitalised interest}}$$

$$\text{Gearing ratio} = \frac{\text{Net debt}}{\text{Total equity}}$$

Financial Calendar and Information for Investors

Financial Calendar 2026

Interim Report available to shareholders	1st September
Shares traded ex-dividend	2nd September
Share register closed for 2026 first interim dividend entitlement	4th September
Record date for 2026 first interim dividend entitlement	4th September
Payment of 2026 first interim dividend	8th October
Annual results announcement	March 2027
Annual General Meeting	May 2027

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Request for Feedback

In order that we may improve our reporting, we would be grateful to receive your comments on our public announcements and disclosures via e-mail to ir@swireproperties.com.

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