Hongkong Land Holdings Limited

Announcement

7th March 2024

The following announcement was issued today to a Regulatory Information Service approved by the Financial Conduct Authority in the United Kingdom.

HONGKONG LAND HOLDINGS LIMITED
2023 PRELIMINARY ANNOUNCEMENT OF RESULTS

Highlights

- Underlying profit down 5% to US$734 million
- Improved results from Investment Properties
- Lower development profits on the Chinese mainland
- Group financial position remains strong
- Dividend maintained, final dividend at US¢16 per share

"Market conditions in the Group's core markets of Hong Kong and the Chinese mainland are expected to remain challenging in 2024. While the resilience of our Investment Properties business provides the Group with a solid base of recurring earnings, trading performance of the Hong Kong Central portfolio is expected to be lower, due to negative office rental reversions. An improvement in Development Properties earnings is anticipated, however, based on planned project completions on the Chinese mainland and in South Asia. The Group remains in a strong financial position, with a development pipeline of income-producing assets.

I am delighted to welcome Michael Smith as Chief Executive and look forward to the contribution his extensive expertise and experience will make to the Group's future growth."

Ben Keswick
Chairman

Results

	Year ended 31st December		
	2023 **US$m**	2022 US$m	Change %
Underlying profit attributable to shareholders*	**734**	776	–5
(Loss)/profit attributable to shareholders	**(582)**	203	N/A
Shareholders' funds	**31,965**	33,303	–4
Net debt	**5,371**	5,817	–8
	US¢	US¢	%
Underlying earnings per share*	**33.15**	34.44	–4
(Loss)/earnings per share	**(26.29)**	8.99	N/A
Dividends per share	**22.00**	22.00	-
	US$	US$	%
Net asset value per share	**14.49**	14.95	–3

* The Group uses 'underlying profit attributable to shareholders' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in Note 27 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

A final dividend of US¢16 per share will be payable on 15th May 2024, subject to approval at the Annual General Meeting to be held on 8th May 2024, to shareholders on the register of members at the close of business on 22nd March 2024.

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HONGKONG LAND HOLDINGS LIMITED

PRELIMINARY ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

OVERVIEW

The Group's performance during the year was impacted by lower profits from Development Properties, despite improved results from Investment Properties compared to 2022, as trading conditions in its key markets continue to be impacted by economic uncertainties and subdued capital market activity.

The Group remains focussed on addressing changes in customer preferences and behaviours, as well as market conditions, and is continuing to add to its suite of digital services, introduce innovative concepts, deepen collaborations with tenants, and reinvest in its core assets.

PERFORMANCE

Underlying profit attributable to shareholders fell by 5% to US$734 million.

Profits from the Group's Investment Properties business increased, mainly due to improved performance from its luxury retail and Singapore office portfolios, offsetting reduced contributions from the Hong Kong office portfolio. Total contributions from Development Properties were impacted by challenging market conditions on the Chinese mainland, which led to lower sales and reduced profit margins. In addition, the decision was taken to impair a small number of residential projects, although this was broadly offset by net gains from the acquisition of two equity stakes in existing joint-venture projects for considerations below development cost.

The loss attributable to shareholders was US$582 million, after including net non-cash losses of US$1,317 million arising primarily from the revaluation of the Group's Investment Properties portfolio. This compares to a profit of US$203 million in 2022, which included net non-cash losses of US$573 million from lower property revaluations. In both years, the net negative revaluation movements principally arose in Hong Kong, where there was a gradual decrease in valuations of the Group's prime office portfolio.

The net asset value per share at 31st December 2023 was US$14.49, compared with US$14.95 at the end of 2022.

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The Directors recommend a final dividend of US¢16 per share, resulting in a total dividend for the year of US¢22 per share, unchanged from last year.

Business Development

The Group has 5.2 million sq. m. of assets under development, which include West Bund and nine luxury and premium retail for lease assets on the Chinese mainland. These retail assets are scheduled to complete in stages, mainly between 2024 and 2028.

The Group continues to be disciplined in evaluating and selecting strategic investment opportunities that are expected to improve capital performance, while maintaining a strong balance sheet position. In 2023, US$1.3 billion was invested in new land and property acquisitions across the Group.

During the year, two new acquisitions were made on the Chinese mainland, in Chongqing and Beijing.

- The Chongqing site is adjacent to existing residential and luxury retail projects that the Group has under development in the Guanyinqiao area. The total developable area of the site is approximately 301,000 sq. m. and will primarily consist of residential for sale.

- In September, the Group secured a 20% interest in the development of a mixed-use site in the western side of Beijing, consisting of commercial and residential components. The total developable area of the site is approximately 199,000 sq. m.

In addition, the Group completed the acquisition of equity stakes in two existing mixed-used projects in Nanjing and Wuhan from joint-venture partners at attractive valuations.

In Singapore, the Group acquired two residential sites in the Outside Central Region of Singapore. These sites will be developed in joint ventures with other developers. The Group's effective interest in these projects equates to a developable area of 584,000 sq. ft.

In Jakarta, two acquisitions were made, increasing the land bank of the Group's 50% held joint-venture residential development business.

Financing

The Group's financial position remains strong, with net debt of US$5.4 billion at 31st December 2023, down from US$5.8 billion at the end of 2022. Net gearing at the end of the year was 17%, unchanged from the end of 2022. As at 31st December 2023, the Group had committed liquidity of US$4.0 billion, with an average tenor of debt of 6.3 years, compared to 5.8 years at the end of 2022.

SUSTAINABILITY

The Group's growth and progress on sustainability initiatives continues to be underpinned by its Sustainability Framework 2030, which addresses material topics that are linked to measurable targets.

As part of the Group's commitment to decarbonise its operations in line with its 2030 near-term targets, which were validated by the Science Based Targets initiative in 2022, several initiatives were delivered during the year. These included:

- To reduce Scope 1 and 2 greenhouse gas emissions, the Group continues to reinvest in and upgrade its existing portfolios across the region, including prioritising the deployment or enhancement of artificial intelligence solutions to drive energy efficiency. This includes the piloting of Integrated Facilities Management Control Tower technology at the Hong Kong Central Portfolio, which uses machine learning to optimise thermal comfort and energy efficiency, as well as to enable predictive operations and maintenance.

- To address Scope 3 emissions from tenants, the Group launched the Tenant Sustainability Partnership Programme for its Central Portfolio, to foster closer collaboration with tenants on sustainability, focussing in particular on providing support to tenants in achieving green fit-outs and operations.

- The Group also took a significant step forward in tackling its embodied carbon footprint from development activities, by being one of the first property companies in the region to build measurement tools bespoke to its major construction supply chains. The Group expects the integration of these tools across the design and planning, procurement, and construction stages of its development projects to drive emissions reductions in the coming years.

The Group's continued commitment and strong performance on sustainability initiatives has been recognised in a number of ESG ratings, especially those involving in-depth assessments requiring active participation. The Group was pleased to receive the highest 5-star ratings from the Global Real Estate Sustainability Benchmark (GRESB) under both the Standing Investments and Development benchmarks for 2023. In addition, the Group was named Global Sector Leader (Diversified Sector) for the first time under GRESB's

Development benchmark. Hongkong Land also qualified, for the second consecutive year, as a constituent of the Dow Jones Sustainability Asia Pacific Index, as a result of its strong performance in the 2023 S&P Global Corporate Sustainability Assessment, and was included in the S&P Global Sustainability Yearbook 2024, which recognises the top 15% of sector participants globally.

PEOPLE

On behalf of the Board, I would like to express my gratitude to our people, who continue to demonstrate unwavering commitment despite challenging market conditions.

Robert Wong, who has been the Chief Executive of Hongkong Land since 2016, will step down as Chief Executive and as a Director of the Board on 31st March 2024. He will be succeeded by Michael Smith, previously the Regional Chief Executive Officer of Europe and the US at Mapletree Investments. We are grateful to Robert for his leadership and significant contributions to the Group over his close to four decades of service.

Prijono Sugiarto and Anthony Nightingale stepped down from the Board in May 2023 and January 2024, respectively. As previously announced, Yiu Kai Pang will be stepping down from the Board, the Audit Committee and Remuneration Committee in March 2024. We would like to record our gratitude to all of them for the contributions they have made over many years to the Group. We were pleased to welcome Stuart Grant to the Board as an Independent Non-Executive Director in March 2023. Stuart has also become a member of the Audit Committee since June 2023 and, as a result, the Audit Committee now comprises a majority of Independent Non-Executive Directors.

OUTLOOK

Market conditions in the Group's core markets of Hong Kong and the Chinese mainland are expected to remain challenging in 2024. While the resilience of our Investment Properties business provides the Group with a solid base of recurring earnings, trading performance of the Hong Kong Central portfolio is expected to be lower, due to negative office rental reversions. An improvement in Development Properties earnings is anticipated, however, based on planned project completions on the Chinese mainland and in South Asia. The Group remains in a strong financial position, with a development pipeline of income-producing assets.

Ben Keswick
Chairman

CHIEF EXECUTIVE'S REVIEW

Hongkong Land delivered a respectable performance for the year, despite economic uncertainties in a majority of key markets, with underlying profits marginally lower than those achieved in 2022. Contributions from the Group's Investment Properties were higher, due to its luxury retail portfolio benefitting from a steady recovery of tenant sales and positive rental reversions for the Singapore office portfolio. The contribution from Development Properties decreased as expected due to less favourable market conditions and the impairment of residential inventory in some projects.

STRATEGY

Hongkong Land is a landlord and a developer operating in China and South East Asia. The Group's primary focus is to develop, grow and hold for long-term investment a portfolio of prime commercial investment properties across the region, while also developing premium residential and commercial properties for sale on an opportunistic basis to enhance shareholder returns.

The Group's Investment Properties are predominantly commercial and located in core business districts of key Asian gateway cities, with a concentration in Hong Kong and Singapore. Returns principally arise from rental income and long-term capital appreciation. The Investment Properties segment is the largest contributor to the Group's earnings, given its relative size and maturity. It accounted for 82% of the Group's gross assets at the end of 2023 (2022: 83%) and contributed 78% of the Group's underlying operating profit before corporate expenses in 2023 (2022: 70%).

The Group's Development Properties are predominantly premium residential and mixed-use developments located primarily in China, Singapore and Indonesia. Returns principally arise from trading profits from the immediate sale of the residential and office components; and rental and trading profits for certain commercial elements of mixed-use sites that are disposed of, or reclassified as Investment Properties, after rents have stabilised. Development Properties accounted for 18% of the Group's gross assets at the end of 2023 (2022: 17%) and 22% of the Group's underlying operating profit before corporate expenses in 2023 (2022: 30%).

Geographically, China generates the bulk of the Group's earnings. Hong Kong, which predominantly comprises Investment Properties, accounted for 61% of the Group's underlying operating profit before corporate expenses in 2023 (2022: 57%), while the

Chinese mainland, which predominantly comprises Development Properties, accounted for 16% (2022: 23%).

The Investment Properties portfolios in Hong Kong and Singapore provide a stable stream of recurring earnings and balance sheet strength that enables the Group to selectively pursue new long-term investment opportunities in key gateway cities across the region. Earnings from the Development Properties business are largely reinvested to replenish the Group's land bank where opportunities arise. The Group's share of capital allocated to new investments totaled US$1.3 billion in 2023 (2022: US$1.0 billion).

This strategy has resulted in a significant development portfolio (summarised below) which will provide the Group with enhanced earnings as construction works complete in the coming few years.

Hong Kong Investment Properties

In Hong Kong, the Group's Central Portfolio consists of 12 interconnected prime commercial buildings forming the heart of the financial district in Central, providing over 450,000 sq. m. of Grade A office and luxury retail space. This integrated mixed-use development is positioned as the pre-eminent office, luxury retail, restaurant and hotel accommodation in Hong Kong. It continues to attract both prime office tenants and luxury retailers, in addition to housing the acclaimed Landmark Mandarin Oriental hotel.

Hong Kong's position as one of Asia's leading financial and business hubs, combined with the scarcity of supply of high-quality, well-managed space in Central and the unique qualities of the Group's portfolio, continue to support relatively low vacancy and strong rents. Despite ongoing challenging conditions, Hong Kong continues to possess unique advantages as a financial centre that are not easily replicated. The Group remains confident that Hong Kong will continue to thrive as the primary gateway for capital flows in and out of the Chinese mainland and will remain an important finance and commercial hub for decades to come.

The Group's 56,000 sq. m. retail portfolio is integrated with its office buildings to create part of its distinctive and successful mixed-use business model. Tenants include numerous global luxury brand flagship stores, as well as a number of leading restaurants. LANDMARK is firmly established as the iconic luxury shopping and fine dining destination in Hong Kong. The Group works continuously to ensure that LANDMARK remains the clear market-leading location in the city in which global luxury brands are represented.

Other Investment Properties

Outside Hong Kong, the Group has similarly established itself as a leading provider of prime office and retail space. In Singapore, Hongkong Land's attributable interests totaling 165,000 sq. m. – principally concentrated in the Marina Bay Area – include some of the finest Grade A office space in the market. In China, the Group's 43,000 sq. m. WF CENTRAL complex in Beijing is positioned as a premium retail and lifestyle destination, which includes a Mandarin Oriental hotel that has established itself as one of the most exclusive hotels in the city. In Indonesia, the Group has attributable interests of over 100,000 sq. m. of Grade A office space through its 50%-owned joint venture, Jakarta Land.

The Group's performance in these markets depends on the levels of demand for, and supply of, prime office and luxury retail space, both of which are influenced by global and regional macroeconomic conditions. The Group is committed to maintaining excellence in product quality and service to retain and attract tenants and customers, and it will continue to seek new opportunities to develop prime investment properties in key Asian gateway cities. HKL's market leading occupancy levels within its Investment Properties portfolios is testament to the quality and attractiveness of its asset base.

Development Properties

The Group has established a strong and profitable Development Properties business focussed primarily on the premium residential market segment in China, Singapore and Indonesia. In China, the Group has a presence in seven key markets: Beijing, Chengdu, Chongqing, Hangzhou, Nanjing, Shanghai and Wuhan. These markets are expected to continue to benefit from the growth of the middle class and long-term urbanisation trends on the Chinese mainland. While the capital invested in the Development Properties business is significantly lower than that invested in Investment Properties, the earnings derived from this business enhance the Group's diversification, overall profits and return on capital. The Group's attributable interest in the developable area of its projects at the end of 2023 totaled 11.2 million sq. m., compared to 10.7 million sq. m. at the end of 2022. Of this, construction of approximately 59% had been completed at the end of 2023, compared to 54% at the end of 2022.

Annual returns from Development Properties fluctuate, due to the nature of projects and the Group's accounting policy of recognising profits for sold properties on completion in a number of markets, including China. Demand is also dependent on overall economic conditions, which can be significantly affected by government policies and the availability of credit.

REVIEW OF INVESTMENT PROPERTIES

Profits from Investment Properties in 2023 were 3% higher than the prior year, primarily due to higher contributions from the Group's luxury retail and Singapore office portfolios, which more than offset lower contributions from the Hong Kong office portfolio. The value of the Group's Investment Properties portfolio at 31st December 2023 declined by 5%, mainly from the Hong Kong office portfolio.

Hong Kong

Overall demand in the office market remained weak in 2023, as a result of subdued capital market activity, with a modest level of new leasing enquiries. However, the Group's Central office portfolio continued to outperform the broader market, driven largely by a flight to quality demand. Physical vacancy was 7.4% at year-end. On a committed basis, vacancy was 6.8%, compared to 4.7% at the end of 2022. This compares to 9.9% in the wider Central Grade A office market. The Group's average office rent in 2023 was HK$106 per sq. ft., down from last year's average of HK$111 per sq. ft., as rental reversions remained negative during the year. Financial institutions and legal and accounting firms occupy 83% of the Group's total leased office space. The weighted average lease expiry of the office portfolio at the end of 2023 stood at 3.8 years, compared to 4.0 years at the end of 2022.

The Group's luxury retail portfolio in Hong Kong benefitted from a steady recovery in market sentiment following the lifting of travel restrictions in late 2022. Average retail rent in 2023 increased to HK$203 per sq. ft. from HK$177 per sq. ft. due to mildly positive rental reversions and temporary rent relief provided to support tenants in the prior year. Vacancy, on both a physical and committed basis, remained low at 1.5%.

In April 2023, the Group successfully debuted *Forty-Five*, occupying the 44th floor and rooftop of Gloucester Tower. Spanning 20,000 sq. ft., *Forty-Five* houses five restaurants and bars. *Forty-Five* demonstrates the Group's commitment to deliver exceptional experiences to customers and to cement Central's status as an attractive destination for affluent visitors.

In 2023, we were proud to celebrate the 50th anniversary of Jardine House, the first skyscraper in Hong Kong and an iconic part of the city's skyline. Completed in 1973, Jardine House quickly became the hub that attracted influential business leaders and decision-makers as tenants. Today, Jardine House exemplifies the Group's dedication to innovate and reinvest in existing assets, as it remains one of the more sought after premium Grade A office buildings in Hong Kong. In terms of sustainability, Jardine House is amongst the best-in-class in Hong Kong, retaining the highest possible green building ratings: BEAM Plus Certification for Existing Buildings – Platinum and "Super Low" status in energy performance certification issued via the Zero-Carbon-Ready Building Certification Scheme by the Hong Kong Green Building Council.

The value of the Group's Investment Properties portfolio in Hong Kong at 31st December 2023, based on independent valuations, declined by 5% to US$24.8 billion, primarily as a result of a decline in market rent for Hong Kong office and a mild expansion of capitalisation rates.

Singapore

Sentiment in the office leasing market in Singapore moderated in 2023, due to global economic uncertainties that have affected overall demand. Overall vacancy across the entire Grade A central business district was 5.5% at the end of 2023, unchanged from the end of 2022. Physical vacancy at the Group's office portfolio was 1.9% at the year end, whilst on a committed basis vacancy was 0.9% at the end of 2023, compared to 2.2% at the end of 2022. Average rent increased to S$10.9 per sq. ft. in 2023, up from S$10.6 per sq. ft. in the previous year, driven by positive rental reversions. Financial institutions and legal and accounting firms occupy 72% of the Group's total leased office space. The weighted average lease expiry of the office portfolio at 2023 year-end stood at 3.1 years (2022: 3.4 years). The valuation of the Investment Properties portfolio in Singapore was stable year over year.

Chinese Mainland

In Beijing, contributions from the Group's luxury retail mall at WF CENTRAL increased in 2023, driven by a good recovery in footfall and tenant sales since anti-pandemic restrictions were lifted.

Good progress has been made on the development of the West Bund Financial Hub, the Group's prime mixed-use development in Shanghai. The first component of this 1.1 million sq. m. landmark development to be offered will be the luxury residential component of the project, which is expected to launch in 2024. Completion of other components is expected to occur in phases from 2024 to 2027.

Other Investment Properties

Contributions from ONE CENTRAL Macau increased by 62% in the year, driven by strong leasing and positive rental reversions. Physical occupancy was 95%, compared to 84% at the end of the prior year.

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In Jakarta, occupancy across the office portfolio was 67% at the end of 2023, a solid performance amidst a backdrop of surplus city-wide office supply. On a committed basis, occupancy was 69% compared to 72% at the end of 2022. The average net rent was US$14.5 per sq. m. in 2023, compared to US$15.0 per sq. m. in the prior year.

In Bangkok, planning of the Group's 49%-owned prime commercial joint-venture development in the central business district, secured in late 2017, is under review in response to the changing market conditions, with a greater amount of retail space to be created in response to increased demand from luxury retail tenants. This development has a gross floor area of approximately 312,000 sq. m.

Performance at the Group's other investment properties was within expectations.

REVIEW OF DEVELOPMENT PROPERTIES

Earnings from the Group's Development Properties business were lower in 2023 than in 2022, due to challenging market conditions on the Chinese mainland. Following a review of development cost and market sales prices, the decision was taken to recognise an impairment of US$90 million on a small number of residential projects, notably in two projects in Wuhan.

Chinese Mainland

The Group's development properties on the Chinese mainland comprise 37 projects in seven cities, of which 15 are in Chongqing. As at 31st December 2023, the Group's net investment in development properties on the Chinese mainland was US$6.6 billion, compared to US$6.5 billion at the end of 2022.

While the Development Properties business is predominantly focussed on selling residential properties, the Group is also developing luxury and premium lifestyle retail properties on the Chinese mainland. It currently has four such properties in operation, with a total attributable net leasable area of 175,000 sq. m. In addition, a further ten projects, with an estimated attributable net leasable area of 358,000 sq. m. are expected to be launched from 2024 to 2028. The Group's share of net investment in its luxury retail pipeline amounts to US$1.4 billion, and its share of net investment in its lifestyle retail pipeline amounts to US$1.0 billion. The majority of these commitments had already been funded at the point of land acquisition.

Set out below is a summary of the Group's luxury and premium lifestyle retail properties pipeline on the Chinese mainland, by geographical location.

Luxury Retail Properties Pipeline

Project	City	Attributable net leasable area (sq. m.)
JL CENTRAL	Nanjing	23,300
Eternal Land	Chongqing	44,400
West Bund*	Shanghai	56,600
Suzhou CENTRAL*	Suzhou	38,100

*The West Bund luxury retail segment and Suzhou CENTRAL are recognised under Investment Properties.

Premium Lifestyle Retail Properties Pipeline

Project	City	Attributable net leasable area (sq. m.)
Galaxy Midtown	Shanghai	8,800
WE City	Chengdu	50,600
Yue City	Nanjing	23,600
Central Avenue	Chongqing	38,700
Hangzhou Bay	Hangzhou	22,800
Dream Land	Wuhan	53,400

The Group maintained its disciplined approach to evaluating new development opportunities during 2023, amidst uncertain market conditions. During the year, the Group secured two new joint venture projects on the Chinese mainland, one in Chongqing and the other in Beijing. Both sites are mixed-used developments.

During the year, the Group acquired additional equity stakes in two existing projects, in Nanjing (Yue City) and Wuhan (Dream Land), at considerations below net asset value. The projects are mixed-used in nature, with residential and commercial components.

Despite uncertainties across the broader China property market, pre-sales performance at the Group's new residential developments remained solid. The Group's share of total contracted sales in 2023 was US$1,530 million, 18% higher than the US$1,300 million achieved in the prior year, due to the resilient demand for high-quality, well-located residential space. The Group's attributable interest in revenue recognised in 2023, including its share of revenue in joint ventures and associates, was US$1,621 million, compared to US$1,873 million in 2022.

At 31st December 2023, the Group's attributable interest in sold but not yet recognised contracted sales amounted to US$2,031 million, compared to US$2,087 million at the end of 2022.

Set out below is a summary of the Group's Development Properties pipeline on the Chinese mainland, by geographical location.

Development Properties Pipeline (Chinese Mainland)

City	Number of projects	Developable area* ('000 sq. m.)	Revenue from property sales* (US$m)		% of construction completed	% of Development Properties exposure(^) on the Chinese mainland
			2023	2022		
Chongqing	15	5,045	510	1,113	80%	32%
Shanghai	5	396	144	59	45%	20%
Nanjing	4	472	291	100	53%	18%
Wuhan	4	888	122	56	57%	14%
Chengdu	5	1,211	550	27	85%	8%
Beijing	2	78	-	-	-	7%
Hangzhou	2	309	4	518	53%	1%
Total	37	8,399	1,621	1,873	74%	100%

*Includes HKL's share in joint ventures and associates
^Exposure represents residual land cost plus committed construction cost, less secured pre-sales proceeds

Singapore

Residential market sentiment remained healthy in 2023, with solid sales performance at the Group's existing projects, including the 638-unit Leedon Green and 407-unit Piccadilly Grand and Galleria developments, which are both effectively sold out. During the year, the Group launched sales for one project – 638-unit Tembusu Grand – in which 59% was sold or reserved as at the end of the year.

The Group's attributable interest in contracted sales was US$587 million in 2023, compared to US$615 million in the prior year. The Group's attributable interest in revenue recognised in 2023 was US$443 million, compared to US$379 million in the prior year.

At 31st December 2023, the Group's attributable interest in sold but not yet recognised contracted sales amounted to US$736 million, compared to US$589 million at the end of 2022.

During the year, the Group secured two residential sites in Singapore, including a 51% interest in a site on Clementi Avenue and a 50% interest in Pine Grove Parcel B, both located in the Outside Central Region of southwestern Singapore. Total developable area of the two sites is approximately 1.1 million sq. ft. and is expected to yield over 1,000 units.

Set out below is a summary of the Group's Development Properties pipeline in Singapore.

Development Properties Pipeline (Singapore)

Project	Developable area* ('000 sq. m.)	Revenue from property sales* (US$m)		Expected Completion	% of Development Properties exposure(^) in South East Asia
		2023	2022		
Leedon Green	27	273	190	Completed	-
Piccadilly Grand and Galleria	20	97	25	2025	-
Copen Grand	34	-	-	2025	-
Tembusu Grand	29	73	-	2025	9%
Clementi Avenue 1	26	-	-	2027	18%
Pine Grove Parcel B	29	-	-	2027	20%

*Includes HKL's share in joint ventures and associates
^Exposure represents residual land cost plus committed construction cost, less secured pre-sales proceeds

Indonesia and Other Development Properties

In Indonesia, construction of the Group's residential projects is progressing well. Nava Park is the Group's 49% joint venture comprising a mix of landed houses, villas, mid-rise apartments and low-rise commercial components. Of the 949 units which have been launched for sale, 92% had been sold as at the end of 2023.

In the rest of South East Asia, construction activities continue to progress well, with pre-sales performance in line with expectations.

Set out below is a summary of the Group's Development Properties pipeline in South East Asia, other than Singapore.

Development Properties Pipeline (South East Asia Ex. Singapore)

Country	**Number of projects**	**Developable area* ('000 sq. m.)**	**Revenue from property sales* (US$m)**		**% of Construction completed**	**% of Development Properties exposure(^) in South East Asia**
			2023	**2022**		
Indonesia	8	951	84	67	25%	33%
Thailand	3	215	29	22	16%	13%
Philippines	3	713	55	20	12%	6%
Vietnam	1	40	12	90	Completed	1%

*Includes HKL's share in joint ventures and associates
^Exposure represents residual land cost plus committed construction cost, less secured pre-sales proceeds

THE YEAR AHEAD

Operating conditions across the Group's key markets are likely to remain uncertain in 2024, due to geopolitical and macroeconomic headwinds. The Group's Investment Properties portfolio is expected to continue generating stable returns, although contributions from the Hong Kong Central portfolio are expected to be lower due to negative office rental reversions. In the Development Properties business, higher contributions are expected, due to more planned sales completions in the coming year.

We pride ourselves on delivering world-class services and offerings to our tenants and customers, as well as on maintaining a disciplined approach to evaluating new opportunities. These values are fundamental to our long-term success, as they enable us to withstand the test of challenging market conditions and competition, thus maintaining and strengthening our market positions.

I will retire from the position of Chief Executive on 31st March 2024 and I would like to thank colleagues, partners and investors for their support during my close to 40 years' service to Hongkong Land. While current market conditions are challenging, the quality of the Hongkong Land brand, its prime asset base and dedicated people will ensure that the Group will continue to grow and prosper.

Robert Wong
Chief Executive

Hongkong Land Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2023

	2023 Underlying business performance US$m	**2023** Non-trading items US$m	**2023** Total US$m	2022 Underlying business performance US$m	2022 Non-trading items US$m	2022 Total US$m
Revenue *(note 2)*	**1,844.3**	**-**	**1,844.3**	2,244.4	-	2,244.4
Net operating costs *(note 3)*	**(1,050.0)**	**16.6**	**(1,033.4)**	(1,398.4)	-	(1,398.4)
Change in fair value of investment properties *(note 7)*	**-**	**(1,323.5)**	**(1,323.5)**	-	(559.3)	(559.3)
Operating (loss)/profit *(note 4)*	**794.3**	**(1,306.9)**	**(512.6)**	846.0	(559.3)	286.7
Net financing charges						
- financing charges	**(265.9)**	**-**	**(265.9)**	(234.9)	-	(234.9)
- financing income	**81.5**	**-**	**81.5**	66.8	-	66.8
	(184.4)	**-**	**(184.4)**	(168.1)	-	(168.1)
Share of results of associates and joint ventures *(note 5)*						
- before change in fair value of investment properties	**234.7**	**-**	**234.7**	229.3	-	229.3
- change in fair value of investment properties	**-**	**18.0**	**18.0**	-	(24.5)	(24.5)
	234.7	**18.0**	**252.7**	229.3	(24.5)	204.8
(Loss)/profit before tax	**844.6**	**(1,288.9)**	**(444.3)**	907.2	(583.8)	323.4
Tax *(note 6)*	**(107.2)**	**(25.6)**	**(132.8)**	(131.7)	7.9	(123.8)
(Loss)/profit after tax	**737.4**	**(1,314.5)**	**(577.1)**	775.5	(575.9)	199.6
Attributable to:						
Shareholders of the Company	**734.2**	**(1,316.5)**	**(582.3)**	776.1	(573.4)	202.7
Non-controlling interests	**3.2**	**2.0**	**5.2**	(0.6)	(2.5)	(3.1)
	737.4	**(1,314.5)**	**(577.1)**	775.5	(575.9)	199.6
	US¢		**US¢**	US¢		US¢
(Loss)/earnings per share (basic and diluted) *(note 8)*	**33.15**		**(26.29)**	34.44		8.99

Hongkong Land Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2023

	2023 US$m	2022 US$m
(Loss)/profit for the year	**(577.1)**	199.6
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	**0.7**	(1.6)
Tax on items that will not be reclassified	**(0.1)**	0.3
	0.6	(1.3)
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net loss arising during the year	**(82.2)**	(116.8)
- transfer to profit and loss	**0.6**	-
	(81.6)	(116.8)
Cash flow hedges		
- net (loss)/gain arising during the year	**(53.1)**	2.4
- transfer to profit and loss	**(2.2)**	(2.4)
	(55.3)	-
Tax relating to items that may be reclassified	**9.1**	-
Share of other comprehensive expense of associates and joint ventures	**(59.1)**	(523.6)
	(186.9)	(640.4)
Other comprehensive expense for the year, net of tax	**(186.3)**	(641.7)
Total comprehensive expense for the year	**(763.4)**	(442.1)
Attributable to:		
Shareholders of the Company	**(767.4)**	(431.9)
Non-controlling interests	**4.0**	(10.2)
	(763.4)	(442.1)

Hongkong Land Holdings Limited
Consolidated Balance Sheet
at 31st December 2023

	2023 **US$m**	2022 US$m
Net operating assets		
Fixed assets	**99.7**	111.8
Right-of-use assets	**12.1**	13.0
Investment properties *(note 10)*	**26,687.2**	28,054.1
Associates and joint ventures	**9,284.2**	9,616.0
Non-current debtors	**14.2**	16.8
Deferred tax assets	**113.3**	98.2
Pension assets	**1.0**	0.9
Non-current assets	**36,211.7**	37,910.8
Properties for sale	**2,926.1**	2,910.7
Current debtors	**374.1**	539.4
Current tax assets	**60.4**	62.5
Bank balances	**1,195.6**	1,173.4
Current assets	**4,556.2**	4,686.0
Current creditors	**(1,705.9)**	(1,667.0)
Current borrowings *(note 11)*	**(781.6)**	(419.1)
Current tax liabilities	**(189.8)**	(328.9)
Current liabilities	**(2,677.3)**	(2,415.0)
Net current assets	**1,878.9**	2,271.0
Long-term borrowings *(note 11)*	**(5,785.3)**	(6,571.4)
Deferred tax liabilities	**(249.1)**	(257.1)
Pension liabilities	**(0.1)**	(1.8)
Non-current creditors	**(68.8)**	(24.4)
	31,987.3	33,327.1
Total equity		
Share capital	**220.7**	222.7
Revenue and other reserves	**31,744.7**	33,080.7
Shareholders' funds	**31,965.4**	33,303.4
Non-controlling interests	**21.9**	23.7
	31,987.3	33,327.1

Hongkong Land Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2023

	Share capital US$m	Share premium US$m	Revenue reserves US$m	Hedging reserves US$m	Exchange reserves US$m	Attributable to shareholders of the Company US$m	Attributable to non-controlling interests US$m	Total equity US$m
2023								
At 1st January	**222.7**	**-**	**33,449.8**	**(3.0)**	**(366.1)**	**33,303.4**	**23.7**	**33,327.1**
Total comprehensive expense	**-**	**-**	**(581.7)**	**(54.7)**	**(131.0)**	**(767.4)**	**4.0**	**(763.4)**
Dividends paid by the Company *(note 9)*	**-**	**-**	**(488.7)**	**-**	**-**	**(488.7)**	**-**	**(488.7)**
Dividends paid to non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**(0.6)**	**(0.6)**
Unclaimed dividends forfeited	**-**	**-**	**1.3**	**-**	**-**	**1.3**	**-**	**1.3**
Repurchase of shares	**(2.0)**	**-**	**(81.2)**	**-**	**-**	**(83.2)**	**-**	**(83.2)**
Disposal of subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**(5.2)**	**(5.2)**
At 31st December	**220.7**	**-**	**32,299.5**	**(57.7)**	**(497.1)**	**31,965.4**	**21.9**	**31,987.3**
2022								
At 1st January	229.8	67.4	34,022.4	(20.2)	284.4	34,583.8	34.4	34,618.2
Total comprehensive expense	-	-	201.4	17.2	(650.5)	(431.9)	(10.2)	(442.1)
Dividends paid by the Company *(note 9)*	-	-	(498.8)	-	-	(498.8)	-	(498.8)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(0.5)	(0.5)
Unclaimed dividends forfeited	-	-	1.0	-	-	1.0	-	1.0
Repurchase of shares	(7.1)	(67.4)	(276.2)	-	-	(350.7)	-	(350.7)
At 31st December	222.7	-	33,449.8	(3.0)	(366.1)	33,303.4	23.7	33,327.1

Hongkong Land Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2023

	2023 US$m	2022 US$m
Operating activities		
Operating (loss)/profit	**(512.6)**	286.7
Depreciation	**16.5**	17.5
Change in fair value of investment properties	**1,323.5**	559.3
Loss on disposal of fixed assets	**-**	2.8
Gain on acquisition of subsidiaries	**(31.6)**	(1.3)
Net gain on disposal of subsidiaries and joint ventures	**(15.9)**	-
Decrease in properties for sale	**187.5**	88.9
Decrease in debtors	**83.0**	487.4
Increase/(decrease) in creditors	**8.2**	(498.0)
Interest received	**46.4**	45.6
Interest and other financing charges paid	**(251.2)**	(228.2)
Tax paid	**(287.3)**	(124.7)
Dividends from associates and joint ventures	**135.1**	222.3
Cash flows from operating activities	**701.6**	858.3
Investing activities		
Major renovations expenditure	**(85.3)**	(94.6)
Repayments from associates and joint ventures	**1,183.3**	435.3
Investments in associates and joint ventures	**(401.4)**	(254.3)
Advances to associates and joint ventures	**(434.3)**	(798.6)
Disposal of subsidiaries	**29.3**	-
Disposal of joint ventures	**8.5**	-
Acquisition of subsidiaries	**(30.9)**	(14.5)
Cash flows from investing activities	**269.2**	(726.7)
Financing activities		
Drawdown of borrowings	**2,121.9**	2,399.6
Repayment of borrowings	**(2,569.5)**	(1,954.7)
Principal elements of lease payments	**(3.4)**	(4.1)
Repurchase of shares	**(83.2)**	(352.3)
Dividends paid by the Company	**(486.2)**	(503.7)
Dividends paid to non-controlling shareholders	**(0.6)**	(0.5)
Cash flows from financing activities	**(1,021.0)**	(415.7)
Net cash outflow	**(50.2)**	(284.1)
Cash and cash equivalents at 1st January	**1,171.5**	1,476.1
Effect of exchange rate changes	**(9.1)**	(20.5)
Cash and cash equivalents at 31st December	**1,112.2**	1,171.5

Hongkong Land Holdings Limited
Notes

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial information contained in this announcement has been based on the audited results for the year ended 31st December 2023 which have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards ('IAS') and Interpretations as issued by the International Accounting Standards Board ('IASB').

The Group has adopted the following amendments for the annual reporting period commencing 1st January 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (effective from 1st January 2023)
The amendments require entities to disclose material rather than significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. Material accounting policy information is information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. IASB further clarifies that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendment to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1st January 2023)
The amendment requires deferred tax to be recognised on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They typically apply to transactions such as leases of lessees and decommissioning obligations and require the recognition of additional deferred tax assets and liabilities. The Group applied the amendment from 1st January 2023 and there is no material impact on the Group's consolidated financial statements.

Amendment to IAS 12 – International Tax Reform – Pillar Two Model Rules (effective for annual reporting period commencing on or after 1st January 2023)
The amendment provides a temporary mandatory exception from deferred tax accounting in respect of Pillar Two income taxes and certain additional disclosure requirements. The Group is within the scope of the OECD Pillar Two model rules, and has applied the amendment from 1st January 2023.

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Group operates. The legislation will be effective for the Group's annual reporting period commencing 1st January 2024. Since the Pillar Two legislation was not effective at 31st December 2023, the Group has no related current tax exposure.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes when the legislation comes into effect. The assessment of the potential exposure to Pillar Two income taxes is based on the latest financial information for the year ended 31st December 2023 of the constituent entities in the Group. Based on the assessment, the effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the effective tax rate is slightly below or close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

Apart from the above, there are no other amendments which are effective in 2023 and relevant to the Group's operations that have a significant impact on the Group's results, financial position and accounting policies.

The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

2. REVENUE

	2023 US$m	2022 US$m
Rental income	**934.7**	927.5
Service income and others		
- recognised at a point in time	**33.7**	28.0
- recognised over time	**175.5**	162.9
	209.2	190.9
Sales of properties		
- recognised at a point in time	**671.7**	953.4
- recognised over time	**28.7**	172.6
	700.4	1,126.0
	1,844.3	2,244.4

Total variable rents included in rental income amounted to US$41.0 million *(2022: US$30.9 million)*.

3. NET OPERATING COSTS

	2023 US$m	2022 US$m
Cost of sales	**(913.6)**	(1,223.7)
Other income	**54.3**	40.8
Administrative expenses	**(221.6)**	(214.0)
Loss on disposal of fixed assets	**-**	(2.8)
Gain on acquisition of subsidiaries	**31.6**	1.3
Net gain on disposal of subsidiaries and joint ventures	**15.9**	-
	(1,033.4)	(1,398.4)

4. OPERATING (LOSS)/PROFIT

	2023 US$m	2022 US$m
By business		
Investment Properties	**833.7**	820.7
Development Properties	**54.3**	114.1
Corporate	**(93.7)**	(88.8)
	794.3	846.0
Change in fair value of investment properties	**(1,323.5)**	(559.3)
Gain on disposal of subsidiaries	**16.6**	-
	(512.6)	286.7

5. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	2023 US$m	2022 US$m
By business		
Investment Properties		
- operating profit	**150.4**	130.7
- net financing charges	**(51.7)**	(43.4)
- tax	**(16.2)**	(15.0)
- net profit	**82.5**	72.3
Development Properties		
- operating profit	**218.2**	289.5
- net financing charges	**(32.4)**	(16.8)
- tax	**(33.6)**	(113.9)
- non-controlling interests	**-**	(1.8)
- net profit	**152.2**	157.0
Underlying business performance	**234.7**	229.3
Change in fair value of investment properties (net of tax)	**18.0**	(24.5)
	252.7	204.8

6. TAX

	2023 US$m	2022 US$m
Tax charged to profit and loss is analysed as follows:		
Current tax	**(155.1)**	(128.3)
Deferred tax	**22.3**	4.5
	(132.8)	(123.8)

Tax relating to components of other comprehensive income is analysed as follows:

	2023 US$m	2022 US$m
Remeasurements of defined benefit plans	**(0.1)**	0.3
Cash flow hedges	**9.1**	-
	9.0	0.3

Tax on profits has been calculated at the rates of taxation prevailing in the territories in which the Group operates.

Share of tax charge of associates and joint ventures of US$51.7 million *(2022: US$127.0 million)* is included in share of results of associates and joint ventures.

7. NON-TRADING ITEMS

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties; gains and losses arising from the sale of businesses and investment properties; impairment of non-depreciable intangible assets; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

An analysis of non-trading items after interest, tax and non-controlling interests is set out below:

	2023 US$m	2022 US$m
Change in fair value of investment properties	**(1,323.5)**	(559.3)
Tax on change in fair value of investment properties	**(25.6)**	7.9
Gain on disposal of subsidiaries	**16.6**	-
Share of change in fair value of investment properties in associates and joint ventures (net of tax)	**18.0**	(24.5)
Non-controlling interests	**(2.0)**	2.5
	(1,316.5)	(573.4)

8. EARNINGS PER SHARE

Earnings per share are calculated on loss attributable to shareholders of US$582.3 million *(2022: profit of US$202.7 million)* and on the weighted average number of 2,215.1 million *(2022: 2,253.7 million)* shares in issue during the year.

Earnings per share are additionally calculated based on underlying profit attributable to shareholders. A reconciliation of earnings is set out below:

	2023		2022	
	US$m	**Earnings per share US¢**	US$m	Earnings per share US¢
Underlying profit attributable to shareholders	**734.2**	**33.15**	776.1	34.44
Non-trading items *(note 7)*	**(1,316.5)**		(573.4)	
(Loss)/profit attributable to shareholders	**(582.3)**	**(26.29)**	202.7	8.99

9. DIVIDENDS

	2023 US$m	2022 US$m
Final dividend in respect of 2022 of US¢16.00 *(2021: US¢16.00) per share*	**355.9**	364.5
Interim dividend in respect of 2023 of US¢6.00 *(2022: US¢6.00) per share*	**132.8**	134.3
	488.7	498.8

A final dividend in respect of 2023 of US¢16.00 *(2022: US¢16.00)* per share amounting to a total of US$353.1 million *(2022: US$356.3 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2024 Annual General Meeting. The amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2024.

10. INVESTMENT PROPERTIES

	2023 US$m	2022 US$m
At 1st January	**28,054.1**	28,600.2
Exchange differences	**(69.7)**	(77.3)
Additions	**49.6**	95.4
Transfer to fixed assets	**-**	(4.9)
Disposal of subsidiaries	**(23.3)**	-
Decrease in fair value	**(1,323.5)**	(559.3)
At 31st December	**26,687.2**	28,054.1

11. BORROWINGS

	2023 US$m	2022 US$m
Current		
Bank overdrafts	**1.2**	1.9
Bank loans	**74.2**	87.4
Current portion of long-term borrowings		
- bank loans	**306.5**	150.4
- medium term notes	**399.7**	179.4
	781.6	419.1
Long-term		
Bank loans	**1,909.7**	2,924.9
Medium term notes		
- due 2024	**-**	394.9
- due 2025	**641.3**	642.9
- due 2026	**225.3**	38.6
- due 2027	**186.0**	186.2
- due 2028	**182.3**	182.7
- due 2029	**121.1**	121.3
- due 2030	**698.6**	698.3
- due 2031	**569.5**	569.2
- due 2032	**139.9**	140.2
- due 2033	**524.7**	89.2
- due 2034	**77.0**	77.1
- due 2035	**253.3**	253.8
- due 2038	**111.9**	109.6
- due 2039	**112.8**	110.6
- due 2040	**31.9**	31.9
	3,875.6	3,646.5
	5,785.3	6,571.4
	6,566.9	6,990.5

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 31st December 2023 amounted to US$813.8 million *(2022: US$1,016.9 million)*.

Various Group companies are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the Directors are of the opinion that adequate provisions have been made in the financial statements.

13. RELATED PARTY TRANSACTIONS

The parent company of the Group is Jardine Strategic Limited ('JSL') and the ultimate parent company of the Group is Jardine Matheson Holdings Limited ('JMH'). Both JMH and JSL are incorporated in Bermuda.

In the normal course of business, the Group has entered into a variety of transactions with the subsidiaries, associates and joint ventures of JMH ('Jardine Matheson group members'). The more significant of these transactions are described below:

Management fee
The management fee payable by the Group, under an agreement entered into in 1995, to Jardine Matheson Limited ('JML') in 2023 was US$3.7 million *(2022: US$3.8 million)*, being 0.5% per annum of the Group's underlying profit in consideration for management consultancy services provided by JML, a wholly-owned subsidiary of JMH.

Property and other services
The Group rented properties to Jardine Matheson group members. Gross rents on such properties in 2023 amounted to US$19.8 million *(2022: US$16.9 million)*.

The Group provided project management services and property management services to Jardine Matheson group members in 2023 amounting to US$3.9 million *(2022: US$4.7 million)*.

Jardine Matheson group members provided property maintenance and other services to the Group in 2023 in aggregate amounting to US$58.8 million *(2022: US$65.3 million)*.

Hotel management services
Jardine Matheson group members provided hotel management services to the Group in 2023 amounting to US$3.6 million *(2022: US$2.2 million)*.

Outstanding balances with associates and joint ventures
Amounts of outstanding balances with associates and joint ventures are included in associates and joint ventures, debtors and creditors as appropriate.

Hongkong Land Holdings Limited
Principal Risks and Uncertainties

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority in the United Kingdom and are in addition to the matters referred to in the Chairman's Statement, Chief Executive's Review and other parts of the Company's 2023 Annual Report (the 'Report').

Economic Risk

The Group is exposed to the risk of negative developments in global and regional economies and financial and property markets, either directly or through the impact such developments might have on the Group's joint venture partners, associates, bankers, suppliers, customers or tenants. These developments could include recession, inflation, deflation and currency fluctuations, restrictions in the availability of credit, increases in financing and construction costs and business failures, and reductions in office and retail rents, office and retail occupancy, and sales prices of, and demand for, residential and mixed-use developments.

Such developments might increase costs of sales and operating costs, reduce revenues, increase net financing charges, or result in reduced valuations of the Group's investment properties or in the Group being unable to meet its strategic objectives.

Mitigation Measures

- Monitor the volatile macroeconomic environment and consider economic factors in strategic and financial planning processes.
- Make agile adjustments to existing business plans and explore new business streams and new markets.
- Review pricing strategies.

Commercial Risk

Risks are an integral part of normal commercial activities and where practicable steps are taken to mitigate them. Risks can be more pronounced when businesses are operating in volatile markets.

The Group makes significant investment decisions regarding commercial and residential development projects, and these are subject to market risks. This is especially the case where projects are longer-term in nature and take more time to deliver returns.

The Group operates in regions that are highly competitive, and failure to compete effectively, whether in terms of price, tender terms, product specification or levels of service, and failure to manage change in a timely manner, can have an adverse effect on earnings or market share, as can construction risks in relation to new developments. Significant competitive pressure may also lead to reduced margins.

It is essential for the products and services provided by the Group's businesses to meet the appropriate quality, safety and sustainability standards, and there is an associated risk if they do not, including the risk of damage to brand equity or reputation, which might adversely impact the ability to achieve acceptable revenues and profit margins.

Commercial Risk *(continued)*

The potential impact of disruption to IT systems or infrastructure, whether due to cyber-crime or other factors, could be significant. There is also an increasing risk to our businesses from adverse social media commentary, which could influence customer and other stakeholder behaviours and impact operations or profitability or lead to reputational damage.

Mitigation Measures

- Utilise market intelligence and deploy digital strategies for business-to-consumer businesses.
- Establish customer relationship management programme and digital commerce capabilities.
- Engage in longer-term contracts and proactively approach suppliers for contract renewals.
- Re-engineer existing business processes.
- Adopt best practices with respect to sustainability and transition to net zero, including executing on green building initiatives and collaborating with our tenants to jointly achieve sustainability goals.

Financial and Treasury Risk

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

The market risk the Group faces include i) foreign exchange risk from future commercial transactions, net investments in foreign operations and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency; ii) interest rate risk through the impact of rate changes on interest-bearing liabilities and assets; and iii) securities price risks as a result of its equity investments and limited partnership investment funds which are measured at fair value through profit and loss, and debt investments which are measured at fair value through other comprehensive income.

The Group's credit risk is primarily attributable to deposits with banks, contractual cash flows of debt investments carried at amortised cost and those measured at fair value through other comprehensive income, credit exposure to customers and derivative financial instruments with a positive fair value.

The Group may face liquidity risk if its credit rating deteriorates or if it is unable to meet its financing commitments.

Mitigation Measures

- Limiting foreign exchange and interest rate risks to provide a degree of certainty about costs.
- Management of the investment of the Group's cash resources so as to minimise risk, while seeking to enhance yield.
- Adopting appropriate credit guidelines to manage counterparty risk.
- When economically sensible to do so, taking borrowings in local currency to hedge foreign exchange exposures on investments.
- A portion of borrowings is denominated in fixed rates. Adequate headroom in committed facilities is maintained to facilitate the Group's capacity to pursue new investment opportunities and to provide some protection against market uncertainties.

- more -

Financial and Treasury Risk *(continued)*

Mitigation Measures (continued)

- The Group's funding arrangements are designed to keep an appropriate balance between equity and debt from banks and capital markets, both short and long term in tenor, to give flexibility to develop the business. The Company also maintains sufficient cash and marketable securities, and ensures the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.
- The Group's treasury operations are managed as cost centres and are not permitted to undertake speculative transactions unrelated to underlying financial exposure.

The detailed steps taken by the Group to manage its exposure to financial risk will be set out in the Financial Review and in a note to the Financial Statements in the Report.

Regulatory and Political Risk

The Group is subject to a number of regulatory regimes in the territories it operates. Changes in such regimes, in relation to matters such as foreign ownership of assets and businesses, exchange controls, planning controls, tax rules, climate-related regulation and employment legislation, could have the potential to impact the operations and profitability of the Group.

Changes in the political environment, including political or social unrest, in the territories where the Group operates, could adversely affect the Group.

Mitigation Measures

- Stay connected and informed of relevant new and draft regulations.
- Engage external consultants and legal experts where necessary.
- Raise awareness via principal's brand conference with an annual update on new regulations that may have been implemented in other markets.

Pandemic, War, Terrorism and Natural Disasters Risk

A global or regional pandemic would impact the Group's business, affecting travel patterns, demand for the Group's products and services, and possibly the Group's ability to operate effectively. The Group's properties and/or project sites are also vulnerable to the effects of war and terrorism, either directly through the impact of an act of war and terrorism or indirectly through generally reduced economic activity in response to the threat of or an actual act of war and terrorism. In addition, a number of the territories in which the Group operates can experience from time-to-time natural disasters such as typhoons, floods, earthquakes and tsunamis.

- more -

Pandemic, War, Terrorism and Natural Disasters Risk *(continued)*

Mitigation Measures

- Flexible work arrangements and compliance with hygiene protocols.
- Supply chain stabilisation includes sourcing backup suppliers and better coordination with logistics partners.
- Insurance programmes that provide robust cover for natural disasters including property damage and business interruption.

Key Contracts Risk

Many of the Group’s businesses and projects rely on concessions, management, outsourcing or other vital contracts. Accordingly, cancellation, expiry or termination, or the renegotiation of any such concession, management, outsourcing or other third-party key contracts could adversely affect the financial condition and results of operations of certain subsidiaries, associates and joint ventures of the Group.

Mitigation Measures

- Monitor materials and services providers’ performance and compliance with standards set out in contracts to ensure quality.
- Engage experts to manage the key contracts.
- Diversify suppliers/contractors portfolio to avoid over-reliance on specific suppliers/ contractors for key operations.

Cybersecurity Risk

The Group’s businesses are ever more reliant on technology in their operations and face increasing numbers of cyberattacks from groups targeting both individuals and businesses. As a result, the privacy and security of customer, tenant and corporate information are at risk of being compromised through a breach of our or our suppliers’ IT systems or the unauthorised or accidental release of information, resulting in brand damage, impaired competitiveness or regulatory action. Cyberattacks may also adversely affect our ability to manage our business operations or operate information technology and business systems, resulting in business interruption, lost revenues, repair or other costs.

Mitigation Measures

- Engage external consultants to perform assessments on the business units with industry benchmarks.
- Define cybersecurity programme and centralised function to provide oversight, manage cybersecurity matters, and strengthen cyber defences and security measures.
- Perform regular vulnerability assessment and/or penetration testing to identify weaknesses.
- Maintain disaster recovery plans and backup for data restoration.
- Arrange regular security awareness training at least annually and phishing testing to raise users’ cybersecurity awareness.

Governance and Misconduct Risk

Effective management of the Group's risks depends on the existence of an appropriate governance structure, tone from top leadership, and functioning system of internal controls. Ethical breaches, management override of controls, employee fraud and misconduct, or other deficiencies in governance and three lines of internal controls may result in financial loss and reputational damage for the Group.

Inadequate capability and diversity in management or the board may also lead to sub-optimal deliberations and decisions.

The Group holds minority stakes in various companies. Lack of control or significant influence over these companies may lead to losses on the Group's investment if the companies are mismanaged.

Mitigation Measures

- Established Groupwide mandatory code of conduct that applies to all Group businesses and new joiners.
- Maintain a robust Corporate Governance Framework which includes a whistleblowing channel.
- Compliance department reviews internal controls.
- Maintain functionally independent internal audit function that reports to the Group Audit Committee on risk management, the control environment and significant non-compliance matters.
- Maintain Crime and General Liability insurance policies with adequate coverage.

Health and Safety Risk

The Group's businesses engage in construction, renovation or other physical activities that may lead to serious injury or fatal incidents if work conditions are unsafe or workers do not take due care to observe safety procedures.

Mitigation Measures

- Establish safe working environments and regular safety training for all employees and subcontractors.
- Establish contractual requirements for contractors to comply with high expected levels of safety standards.
- Incorporate site safety plans in tenders and contracts.
- Conduct occupational health and safety awareness campaigns.
- Purchase sufficient insurance coverage including employee compensation and construction of all risks.
- Establish proper contractor selection process.
- Ensure contractors follow the Group's guidelines, requirements and local regulations.
- Conduct regular audits on operating buildings and construction sites.
- Conduct periodic drills and crisis management procedures for safety incidents.

People Risk

The competitiveness of the Group's businesses depends on the quality of the people that it attracts and retains. Unavailability of needed human resources may impact the ability of the Group's businesses to operate at capacity, implement initiatives and pursue opportunities.

The pandemic has accelerated corporate investments in digital projects and stimulated global consumer demand for e-commerce. This has created heightened demand and competition across industries for various skillsets, particularly in IT and logistics. Pandemic-related travel restrictions and a more stringent approach to issuing work visas to non-locals in some of the key markets have also disrupted the availability of labour across borders, exacerbating labour shortages as economies rebound.

Mitigation Measures

- Ensure proactive manpower planning and succession planning are in place.
- Enhance modern employer branding, training for staff members, compensation and benefits, and talent development plan.
- Implement strategy to promote Inclusion, Equity and Diversity across the Group.
- Provide employee retention programmes.
- Establish employee assistance programmes.

Investment, Strategic Transactions and Partnerships Risk

Competition for attractive investment opportunities has increased with the rise of global investment funds and deep pools of low-cost capital, supporting a greater appetite by investors across sectors for strategic transactions and partnerships to optimise the business portfolio and enhance growth. As the Group's businesses pursue projects and investments against keen competitors, they face pressure on the terms they are willing to secure and accept prized assets and relationships.

In addition, conflicts with strategic partners may arise due to various reasons such as different corporate cultures and management styles.

Mitigation Measures

- Conduct sufficient research, due diligence and evaluation of investment opportunities and potential business partners.
- Develop clear frameworks and levels of authority for investment or partnership decisions.
- Regular performance monitoring and strategic reviews of new businesses and projects.

Environmental and Climate Risk

Global climate change has led to a trend of increased frequency and intensity of potentially damaging natural events for the Group's assets and operations. With interest in sustainability surging in recent years from investors, governments and other interested parties, expectations by regulators and other stakeholders for accurate corporate sustainability reporting and commitments towards carbon neutrality and other sustainability-related goals are also growing. This brings increasing challenges to the Group and its businesses to meet key stakeholders' expectations.

Mitigation Measures

In addition to being addressed under the Group's Risk Management Framework and processes, mitigation measures are reviewed and approved by the Group's Sustainability Committee as part of a broader sustainability framework already in place to execute on initiatives over the long-term.

Mitigation measures in respect of environmental and climate risks:

- A commitment to the Science Based Targets initiative's campaign to set decarbonisation targets in line with climate science, to meet the goals of the Paris Agreement, aimed at limiting global warming to 1.5°C.
- Perform and update climate risk assessments and adaptation action plans based on the recommendations of the Task Force on Climate-related Financial Disclosure, including implementing measures to address physical risks posed by climate change and identifying opportunities in the global transition to a low-carbon economy.
- Consistent retrofitting of existing assets, as well as identification and deployment of emerging PropTech solutions to drive energy efficiency.
- Increase the procurement of renewable energy, including expanding onsite renewable energy generation capacity, to reduce emissions.
- Continue implementing the Group's robust and long-standing green building certification programme to minimize environmental impact of existing assets.
- Establish performance-based targets on embodied carbon emissions targeting concrete, rebar and structural steel used for new developments.
- Support the financial sector's green transition via increased participation in the sustainable financing markets.
- Test and audit periodically the Group's Business Continuity Plans.
- Assess emerging ESG reporting standards and requirements, and align the Group's disclosures to best market practice.

Hongkong Land Holdings Limited
Responsibility Statements

The Directors of the Company confirm to the best of their knowledge that:

(a) the consolidated financial statements prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and

(b) the Chairman's Statement, Chief Executive's Review, Financial Review and the description of Principal Risks and Uncertainties facing the Group as set out in the Company's 2023 Annual Report, which constitute the management report required by the Disclosure Guidance and Transparency Rule 4.1.8, include a fair review of all information required to be disclosed under Rules 4.1.8 to 4.1.11 of the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Robert Wong
Craig Beattie

Directors

Dividend Information for Shareholders

The final dividend of US¢16.00 per share will be payable on 15th May 2024, subject to approval at the Annual General Meeting to be held on 8th May 2024, to shareholders on the register of members at the close of business on 22nd March 2024. The shares will be quoted ex-dividend on 21st March 2024, and the share registers will be closed from 25th to 29th March 2024, inclusive.

Shareholders will receive cash dividends in United States Dollars, except when elections are made for alternate currencies in the following circumstances.

Shareholders on the Jersey branch register

Shareholders registered on the Jersey branch register can elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2023 final dividend by notifying the United Kingdom transfer agent in writing by 26th April 2024. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 2nd May 2024.

Shareholders holding their shares through CREST in the United Kingdom will receive cash dividends in Sterling only, as calculated above.

Shareholders on the Singapore branch register who hold their shares through The Central Depository (Pte) Limited ('CDP')

<u>Shareholders who are on CDP's Direct Crediting Service ('DCS')</u>
Those shareholders on CDP's DCS will receive their cash dividends in Singapore Dollars unless they opt out of CDP Currency Conversion Service, through CDP, to receive United States Dollars.

Hongkong Land Holdings Limited
Dividend Information for Shareholders *(continued)*

Shareholders on the Singapore branch register who hold their shares through The Central Depository (Pte) Limited ('CDP') *(continued)*

Shareholders who are **not on** CDP's DCS
Those shareholders not on CDP's DCS will receive their cash dividends in United States Dollars unless they elect, through CDP, to receive Singapore Dollars.

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 22nd March 2024, must submit the relevant documents to Boardroom Corporate & Advisory Services Pte. Ltd., the Singapore branch registrar, by no later than 5.00 p.m. (local time) on 21st March 2024.

About Hongkong Land Group

Hongkong Land is a major listed property investment, management and development group. Founded in 1889, Hongkong Land's business is built on excellence, integrity and partnership.

The Group owns and manages more than 850,000 sq. m. of prime office and luxury retail assets in key Asian cities, principally Hong Kong, Singapore, Beijing and Jakarta. Its properties hold industry leading green building certifications and attract the world's foremost companies and luxury brands.

The Group's Central Hong Kong portfolio represents some 450,000 sq. m. of prime property. It has a further 165,000 sq. m. of prestigious office space in Singapore mainly held through joint ventures, five retail centres on the Chinese mainland, including a luxury retail centre at Wangfujing in Beijing, and a 50% interest in a leading office complex in Central Jakarta. The Group also has a number of high-quality residential, commercial and mixed-use projects under development in cities across China and South East Asia, including a 43% interest in a 1.1 million sq. m. mixed-use project in West Bund, Shanghai. Its subsidiary, MCL Land, is a well-established residential developer in Singapore.

Hongkong Land Holdings Limited is incorporated in Bermuda and has a primary listing in the standard segment of the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Group's assets and investments are managed from Hong Kong by Hongkong Land Limited. Hongkong Land is a member of the Jardine Matheson Group.

- end -

For further information, please contact:

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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2023 can be accessed via the Hongkong Land corporate website at 'www.hkland.com'.