Hongkong Land Holdings Limited

News Release

To: Business Editor

5th March 2015
For immediate release

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
2014 PRELIMINARY ANNOUNCEMENT OF RESULTS (UNAUDITED)

Highlights
- Underlying profit maintained
- Another strong year for commercial portfolio
- Reduced residential contribution despite increase from mainland China
- Stable asset values

"Conditions in the commercial leasing market in Hong Kong are likely to remain stable in 2015 as supply continues to be limited. In the residential business, while further strong profits are expected from our activities in mainland China, earnings are projected to be lower overall due to reduced profits from other markets."

Ben Keswick
Chairman

Results

	Year ended 31st December		
	2014	2013	Change
	US$m (unaudited)	US$m	%
Underlying profit attributable to shareholders*	**930**	935	–1
Profit attributable to shareholders	**1,327**	1,190	+12
Shareholders' funds	**27,548**	26,857	+3
Net debt	**2,657**	3,025	–12
	US¢	US¢	%
Underlying earnings per share*	**39.52**	39.73	–1
Earnings per share	**56.42**	50.56	+12
Dividends per share	**19.00**	18.00	+6
	US$	US$	%
Net asset value per share	**11.71**	11.41	+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 1 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.

The final dividend of US¢13.00 per share will be payable on 13th May 2015, subject to approval at the Annual General Meeting to be held on 6th May 2015, to shareholders on the register of members at the close of business on 20th March 2015.

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HONGKONG LAND HOLDINGS LIMITED

PRELIMINARY ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST DECEMBER 2014
(UNAUDITED)

OVERVIEW

Hongkong Land performed well in 2014, its 125th anniversary, with results broadly in line with the prior record year. The Group's commercial portfolio produced another strong result with the benefit of higher overall average rents. In the residential development business, while there were strong contributions from the sale of the remaining units of the Serenade in Hong Kong and increased completions in mainland China, these were more than offset by fewer unit completions in Singapore.

PERFORMANCE

Underlying profit attributable to shareholders was US$930 million, marginally below the US$935 million achieved in 2013. After taking into account the net gain of US$397 million recorded principally on the valuation of the Group's investment properties, the profit attributable to shareholders for the year was US$1,327 million. This compares to US$1,190 million in 2013, which included net valuation gains of US$255 million.

The net asset value per share at 31st December 2014 was US$11.71, compared with US$11.41 at the end of 2013.

The Directors are recommending a final dividend of US¢13.00 per share, providing a total dividend for the year of US¢19.00 per share compared with US¢18.00 per share for 2013.

GROUP REVIEW

Commercial Property

The commercial office market in Hong Kong remained broadly stable during the year, although demand for space continued to be subdued. The Group's average office rent rose by 3% to HK$102 per sq. ft, compared with HK$99 per sq. ft in 2013. Vacancy was 5.4% at 31st December 2014, compared with 6.0% at 30th June 2014. While reversions in office rents were slightly negative for the full year, the benefit from the positive reversions in 2013 led to increases in both revenue and underlying profit. The Group's retail portfolio remained fully occupied and saw strong positive rental reversions. The average retail rent rose 6% to HK$214 per sq. ft.

In Singapore, markets also remained stable with vacancy of 1.7% in the Group's office portfolio at the year-end compared with 1.4% at the end of June. Higher rents were also achieved at Jakarta Land, the Group's joint venture in Indonesia.

In mainland China, good progress is being made on the development of WF CENTRAL, the Group's luxury retail complex project located on a prime site at Wangfujing in Beijing.

Residential Developments

The Group's residential development activities performed ahead of expectations, although the results were slightly down on 2013. The performance in 2014 was driven by the sale during the year of the remaining units at both the Serenade development in Hong Kong and the 47%-owned One Central joint venture in Macau.

The first significant contribution was received from completed phases at the two wholly-owned residential development projects in Chongqing, which reflects the increasing scale of the Group's operations in that market. Revenue recognised during the year rose by 38% from US$451 million to US$621 million. The Group's attributable interest in contracted sales in mainland China for 2014 was US$635 million compared with US$632 million in 2013. Despite performing reasonably well overall in challenging markets, the Group made provisions of US$38 million against joint-venture projects in Shenyang.

In Singapore, the Group's wholly-owned subsidiary, MCL Land, completed two fully-sold projects during the year: the 95-unit Uber 388 and the 414-unit Terrasse.

In Indonesia, good progress is being made in the development of the Group's 49%-owned joint venture project, Nava Park, and the 40%-owned joint venture project with Astra International, Anandamaya Residences. In the Philippines, the 40%-owned 182-unit luxury development in Manila is also making good headway.

Financing

The Group's financial position remained strong with net debt of US$2.7 billion at 31st December 2014, down from US$3.0 billion at the end of 2013. Gearing at the end of the year was 10%, compared with 11% in the previous year.

CORPORATE DEVELOPMENTS

On 27th May 2014, the transfer of the Company's listing on the Main Market of the London Stock Exchange to the Standard listing category was completed, following shareholder approval at a Special General Meeting in April 2014.

PEOPLE

We are grateful to our people who have consistently shown high levels of professionalism, dedication and commitment in providing distinguished services to our tenants and residential buyers throughout the year. Their continued contributions and hard work are critical to Hongkong Land's excellent reputation and quality.

Mr Jenkin Hui passed away on 4th September 2014 and, on behalf of the Board, I would like to note our appreciation for his significant contribution over many years of service as a non-executive Director of the Company. His wise counsel will be missed.

OUTLOOK

Conditions in the commercial leasing market in Hong Kong are likely to remain stable in 2015 as supply continues to be limited. In the residential business, while further strong profits are expected from our activities in mainland China, earnings are projected to be lower overall due to reduced profits from other markets.

Ben Keswick
Chairman

CHIEF EXECUTIVE'S REVIEW

Hongkong Land had another excellent year in 2014, with an increased contribution from its commercial portfolio and another sound result in its residential activities, bolstered by increased earnings in mainland China. Celebrating its 125th year, the Group remains as healthy as ever and is well positioned to grow further in its key markets.

STRATEGY

The Group's commercial portfolios in Hong Kong and Singapore remain the most important investments, with landmark assets in these two key Asian financial centres. Together, they provide a stable source of earnings, which allow the Group to continue to invest across its core markets in Greater China and Southeast Asia. Hongkong Land's commercial business seeks to continue growing its exceptional portfolio of properties in prime locations across the region.

The Group's residential business is beginning to provide a more stable stream of earnings as recurring revenues from our mainland China operations become more substantial. Our attributable interest in the developable area of our projects totals 5.2 million sq. m. across four cities in China. Of this, only some 1.1 million sq. m. had been handed over to buyers by the end of 2014, leaving significant room for growth over the coming years from further completions. In Singapore, MCL Land, our 100% owned residential developer, maintains a steady pipeline of projects. Despite some challenges in the luxury market, this business remains a core contributor to our earnings. In Indonesia and the Philippines, our joint venture projects are some way from completion, though these demonstrate the Group's appetite and ability to leverage its excellent reputation and enter new markets on an opportunistic basis.

Hong Kong's Central Portfolio

In Hong Kong, our portfolio in Central consists of 12 buildings, representing over 450,000 sq. m. of Grade A office and luxury retail space. Based in the heart of the financial district, these buildings attract premium tenants, who demand the foremost quality and location. They continue to be managed as an integrated mixed-use development, presenting a unique offering in Hong Kong. Although economic conditions in Hong Kong fluctuate and are impacted by events beyond its borders, rental rates are underpinned by the limited supply of such quality space, which we carefully maintain through continuous investment and renovation.

The luxury retail space of over 54,000 sq. m. is critical to the success of the Group's commercial portfolio in Central. With the most desirable global retail brands as tenants and ten Michelin stars across its leading restaurants, our Landmark shopping complex clearly establishes the portfolio's reputation as an iconic centre in the city.

Commercial Property Investments in Asia

Outside Hong Kong, the Group has similarly established itself as a leading provider of office and retail space over recent years. In Singapore, Hongkong Land's interests of some 160,000 sq. m. include some of the finest premium Grade A office space in the market, principally in the Marina Bay Area. The Group's 50%-owned joint venture in Indonesia, Jakarta Land, is continuing to extend its 140,000 sq. m. office development, with construction underway on its 73,000 sq. m. fifth tower. Development also continues at both our retail and office projects in Beijing, WF CENTRAL and CBD, as well as at our mixed-use project in Phnom Penh.

The performance of our commercial portfolio remains, as ever, subject to market fluctuations driven by supply and demand as well as macro-economic conditions. However, the Group endeavours to uphold its reputation for quality in order to continue to attract premium tenants and customers.

Residential Developments

Based on the Group's experience and reputation, we have established a strong and profitable residential trading business focusing primarily on the premium market in Greater China and Southeast Asia. While the capital invested in this activity is significantly lower than our commercial business, the residential projects enhance the Group's overall profits and returns on capital.

Annual returns from residential developments fluctuate due to the nature of the projects and the existing accounting policy of only recognising profits on sold units at completion. Demand is also dependent on overall economic conditions, which can be significantly affected by government policies. Ongoing land acquisitions are necessary to continue to build this income stream over the longer term.

REVIEW OF COMMERCIAL PROPERTY

Hong Kong

While overall demand in the office market remained relatively soft in 2014, with limited growth in the financial services sector, the restricted supply of Grade A space in Central supported market rents. The Group experienced slightly negative reversions for the full year, as it renewed contracts from the market peak of 2011. However due to the impact of positive reversions in 2013 and the first half of 2014, average rents increased by 3% to HK$102 per sq. ft. Financial institutions, law firms and accounting firms continue to account for 78% of total leasable area. Vacancy at the end of 2014 was 5.4% compared to 5.0% at the end of 2013. The vacancy across the entire Grade A Central market was 3.7% at the end of 2014.

Despite some slowdown in luxury sales in Hong Kong, demand for the Group's retail space in the heart of the Central District was resilient in 2014. Average rents increased by some 6% to HK$214 per sq. ft from the 2013 average of HK$201 per sq. ft.

Amidst stable capitalisation rates, the combined portfolio in Hong Kong at 31st December 2014, based on independent valuations, was US$22.2 billion, in line with last year.

Singapore

Leasing activity in Singapore also remained relatively subdued, though amidst limited supply and low vacancy, market rents have picked up moderately. Our portfolio continued to perform well with the office portfolio almost fully leased. The average rent across the office portfolio in 2014 was S$9.2 per sq. ft, in line with the previous year. Financial institutions, law firms and accounting firms account for 83% of total leasable area, although there is increasing demand from other sectors.

Vacancy across the Group's Singapore portfolio at the end of 2014 was 1.7%, in line with the previous year end. The vacancy across the entire Grade A CBD market was 6.1% as at 31st December 2014 compared to 6.5% at the end of 2013.

Other Commercial Property Investments

WF CENTRAL, the Group's luxury retail project in the heart of Beijing, is progressing well, with completion expected towards the end of 2016. The 50,000 sq. m. iconic development, which will include an exclusive 74-room Mandarin Oriental hotel, will be a highly prestigious shopping, dining and lifestyle destination in the city. Planning continues at the Group's site in the CBD Core Area of Beijing's Chaoyang District, in which it owns a 30% interest. This project will be developed as a prime Grade A office building of some 120,000 sq. m.

In Macau, One Central, the Group's 47%-owned joint venture project maintained a strong contribution to the Group due to positive rental reversions. With its 20,000 sq. m. of retail space, One Central carries the leading luxury brands and provides a unique shopping destination in the city. Occupancy at the end of 2014 was 96%, slightly higher than the previous year. In 2014, revenues increased by approximately 7%.

In Jakarta, where market rents have continued to increase, good headway was made with the construction of a fifth tower at the Group's 50%-owned joint venture, Jakarta Land. At 31st December 2014, occupancy across the portfolio was 95%, slightly higher than the previous year. The average rent in 2014 increased by 11% to US$24.0 per sq. m., compared with US$21.6 per sq. m. in 2013.

In Phnom Penh, Cambodia, the Group's 28,000 sq. m. prime retail and office development in the heart of the city remains on track for completion in 2017.

The Group's other commercial investment properties in Hanoi and Bermuda continued to perform satisfactorily, while Gaysorn Plaza in Bangkok has been negatively affected by local market conditions.

REVIEW OF RESIDENTIAL PROPERTY

The Group's residential property activities continued to perform well in 2014, albeit down from a record year in 2013. Increased profits from Hong Kong and our developments in China partially compensated for a reduced contribution from Singapore where only two projects were completed, compared with three in 2013.

Hong Kong and Macau

In Hong Kong, the final 14 units were handed over to buyers at the Group's 97-unit Serenade project, compared with seven units in 2013.

The final five units were also handed over to buyers at the Group's One Central joint venture development in Macau, compared to eight units in 2013.

Mainland China

The Group's residential business was active in four cities across mainland China, Chongqing, Chengdu, Shenyang and Beijing. These are predominantly long-term projects of different product types that are being developed in phases over time.

Despite some slowing down in the overall residential market in China amidst economic uncertainty, the Group's sales performance was in line with last year. In mainland China, the Group's attributable interest in contracted sales across our six development projects was US$635 million in 2014, compared with US$632 million in the prior year.

During 2014, the Group's results benefited from higher sales completions in the year. The Group's attributable interest in revenue, including its subsidiaries and its share of joint ventures was US$621 million, an increase of 38% from US$451 million in 2013. However, due to particularly challenging market conditions in Shenyang which have negatively affected sales at the Group's joint ventures in the city, provisions of US$38 million were made against the carrying value of the Group's investments.

At 31st December 2014, the Group's China residential projects had US$533 million in sold but unrecognised contracted sales, compared with US$534 million at the end of 2013.

Chongqing, the largest city in western China, remains the Group's largest residential market in the country. It accounts for some 77% of the Group's total residential investments in mainland China. Our developments consist of two 100%-owned projects, Yorkville South and the adjacent Yorkville North, and three 50%-owned joint ventures, Bamboo Grove, Landmark Riverside, and Central Avenue.

At the Group's wholly owned projects, Yorkville South and Yorkville North, revenue recognised during the period totalled US$318 million compared to US$238 million in 2013. These projects are in the relatively early stages of development. Yorkville South has a developable area of some 880,000 sq. m., of which some 280,000 sq. m. has been completed while the adjacent project, Yorkville North, has 1.1 million sq. m. of developable land, of which 160,000 sq. m. has now been completed.

At the Group's joint venture projects in Chongqing, Bamboo Grove and Landmark Riverside recognised sales of US$185 million in 2014 compared to US$168 million in 2013, while Central Avenue will see its first completions in 2016. Bamboo Grove, our joint venture with Longfor Properties, is a 78 hectare site consisting of some 1.5 million sq. m. of developable space, of which roughly 1.1 million sq. m. has now been developed. Landmark Riverside, the Group's joint venture with China Merchants Property Development, owns a 34 hectare site at Dan Zishi in Chongqing. Upon full completion, the project will consist of approximately 1.5 million sq. m. of residential development and prime retail space, of which approximately 190,000 sq. m. has been developed. Our most recently acquired project in Chongqing, Central Avenue, is also a joint venture with China Merchants Property Development. It consists of a 40 hectare site next to Central Park in the Yubei District. The total developable area will be approximately 1.1 million sq. m.

In Chengdu, the Group owns a 19 hectare site, WE City, in a 50% joint venture with KWG Property Holding Group. In 2014, its first phase was partially completed with

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revenue recognised of US$66 million during the year. The project is a mixed-use residential and commercial development with a developable area of approximately 900,000 sq. m., of which some 60,000 sq. m. has been completed.

In Shenyang, the Group continues development at two of our 50%-owned residential projects in the city with the third project under planning. Revenue recognised during 2014 totalled US$26 million, compared to US$16 million in 2013. The three Shenyang projects have a total developable area of approximately 2.0 million sq. m., of which some 260,000 sq. m. has been completed.

In Beijing, at the Group's 90%-owned Maple Place project, 16 units were handed over to buyers in 2014, in line with 2013. A further 64 units consisting of villas, townhouses and apartments remain available for future sale. These are predominantly under lease at present.

At Central Park in Beijing, our 40%-owned joint venture with the Vantone Group continues to hold 72 apartments which are being operated as serviced apartments.

Singapore
2014 was another relatively quiet year for sales activity in Singapore. MCL Land launched the 699-unit LakeVille project in 2014, which was 51% pre-sold at year end, and sales at two other projects continued.

During the year, there were two project completions, both by MCL Land. These were the 95-unit Uber 388 and the 414-unit Terrasse, both of which had been fully pre-sold. At the 221-unit Marina Bay Suites development, which is 33% owned by Hongkong Land, just three units were handed over during the year, leaving a total of 18 units remaining. The Group's result in Singapore also benefited from a writeback of provisions principally related to two residential projects.

In 2015, three 100%-owned projects are scheduled for completion, Ripple Bay, Hallmark Residences and Palms@Sixth Avenue. The Ripple Bay project, comprising 679 units, was 100% pre-sold at end-2014. The 75-unit Hallmark Residences and 32-

unit Palms@Sixth Avenue, both premium developments in Singapore's luxury sector, were 88% and 56% pre-sold, respectively. Sales have remained slow at the high end of the market, which has been hardest hit by government cooling measures.

In 2016, two 100%-owned condominium projects will be completed. J Gateway, consisting of 738 units, is 100% pre-sold, while the 699-unit LakeVille project is 53% pre-sold. Meanwhile, the main contract has been awarded for both sites at Choa Chu Kang Grove, which are scheduled for completion in 2018.

Other Residential Developments

In Indonesia, construction continues at our two residential projects acquired in 2013. Nava Park is a 49%-owned residential joint venture with PT Bumi Serpong Damai, located southwest of central Jakarta. This project consists of a mix of residential towers, semi-detached houses and villas, with its first phase scheduled for completion in 2016. Of the 223 units that have been launched for sale, 58% were pre-sold at year end. The 40%-owned Anandamaya Residences, a residential development with affiliate, Astra International, is expected to be completed in 2018. All of the 509 units in the development have been launched for sale, with 70% pre-sold at year end.

In the Philippines, the development of a luxury 182-unit condominium tower in Manila's central Makati area continues. Hongkong Land has a 40% interest in the project, the first phase of which was developed over ten years ago. In addition, master planning is now complete at the Group's 40%-owned development in Cebu. This 20 hectare site will consist principally of residential units though will also include an office and retail component. The first phase of development is expected to be launched in the second half of this year.

OUTLOOK

The strong contribution from the Group's commercial properties is expected to continue over the coming year. In the residential sector, as with the current year, significant profits from our mainland China residential activities are expected to continue, however this will be more than offset from lower profits in 2015 from our other residential businesses, notably Hong Kong and Singapore. While uncertainties persist in the residential market in mainland China, as our projects mature, recurring revenues will continue to increase over the coming years.

The Group maintains robust financial health and a strong position in the markets of Greater China and Southeast Asia to enable it to take advantage of future opportunities.

We will continue to deliver world class service and quality to both our tenants and customers alike, ensuring the very highest standards are upheld. These values are critical to the prolonged success of the Group, and remain our priority in order to protect our leading market position and maintain strong shareholder returns over the long term.

Y.K. Pang
Chief Executive

Hongkong Land Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2014

	2014 (unaudited) Underlying business performance US$m	**2014 (unaudited) Non-trading items US$m**	**2014 (unaudited) Total US$m**	2013 Underlying business performance US$m	2013 Non-trading items US$m	2013 Total US$m
Revenue *(note 2)*	**1,876.3**	**-**	**1,876.3**	1,857.1	-	1,857.1
Net operating costs *(note 3)*	**(809.0)**	**(1.1)**	**(810.1)**	(940.5)	-	(940.5)
	1,067.3	**(1.1)**	**1,066.2**	916.6	-	916.6
Change in fair value of investment properties *(note 7)*	**-**	**15.9**	**15.9**	-	(81.9)	(81.9)
Asset impairment reversals	**-**	**9.2**	**9.2**	-	-	-
Operating profit *(note 4)*	**1,067.3**	**24.0**	**1,091.3**	916.6	(81.9)	834.7
Net financing charges						
- Financing charges	**(113.5)**	**-**	**(113.5)**	(106.2)	-	(106.2)
- Financing income	**44.5**	**-**	**44.5**	42.2	-	42.2
	(69.0)	**-**	**(69.0)**	(64.0)	-	(64.0)
Share of results of associates and joint ventures *(note 5)*						
- before change in fair value of investment properties	**122.8**	**0.1**	**122.9**	235.2	(0.1)	235.1
- change in fair value of investment properties	**-**	**392.2**	**392.2**	-	351.4	351.4
	122.8	**392.3**	**515.1**	235.2	351.3	586.5
Profit before tax	**1,121.1**	**416.3**	**1,537.4**	1,087.8	269.4	1,357.2
Tax *(note 6)*	**(187.9)**	**(7.8)**	**(195.7)**	(149.0)	(8.1)	(157.1)
Profit after tax	**933.2**	**408.5**	**1,341.7**	938.8	261.3	1,200.1
Attributable to:						
Shareholders of the Company	**929.9**	**397.5**	**1,327.4**	934.8	254.8	1,189.6
Non-controlling interests	**3.3**	**11.0**	**14.3**	4.0	6.5	10.5
	933.2	**408.5**	**1,341.7**	938.8	261.3	1,200.1

	US¢		**US¢**	US¢		US¢
Earnings per share *(note 8)*	**39.52**		**56.42**	39.73		50.56

Hongkong Land Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2014

	(unaudited) **2014** **US$m**	2013 US$m
Profit for the year	**1,341.7**	1,200.1
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	**(2.5)**	3.4
Tax on items that will not be reclassified	**0.4**	(0.6)
	(2.1)	2.8
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences	**(119.2)**	(10.9)
Revaluation of other investments	**(4.5)**	(23.0)
Cash flow hedges		
- net gain arising during the year	**21.1**	3.9
- transfer to profit and loss	**(0.8)**	1.4
	20.3	5.3
Tax relating to items that may be reclassified	**(3.5)**	(0.6)
Share of other comprehensive expense of associates and joint ventures	**(106.5)**	(51.9)
	(213.4)	(81.1)
Other comprehensive expense for the year, net of tax	**(215.5)**	(78.3)
Total comprehensive income for the year	**1,126.2**	1,121.8
Attributable to:		
Shareholders of the Company	**1,113.3**	1,109.3
Non-controlling interests	**12.9**	12.5
	1,126.2	1,121.8

Hongkong Land Holdings Limited
Consolidated Balance Sheet
at 31st December 2014

	(unaudited) **2014 US$m**	2013 US$m
Net operating assets		
Leasehold land	**7.6**	7.4
Tangible fixed assets	**16.6**	11.8
Investment properties *(note 9)*	**23,697.3**	23,583.0
Associates and joint ventures	**4,904.1**	4,930.4
Other investments	**53.0**	57.5
Non-current debtors	**54.9**	25.2
Deferred tax assets	**3.7**	5.5
Pension assets	**4.7**	8.0
Non-current assets	**28,741.9**	28,628.8
Properties for sale	**2,923.1**	2,670.2
Current debtors	**292.2**	273.7
Current tax assets	**12.7**	16.9
Bank balances	**1,662.6**	1,406.3
Current assets	**4,890.6**	4,367.1
Current creditors	**(1,441.7)**	(1,408.9)
Current borrowings *(note 10)*	**(288.6)**	(712.1)
Current tax liabilities	**(101.9)**	(71.3)
Current liabilities	**(1,832.2)**	(2,192.3)
Net current assets	**3,058.4**	2,174.8
Long-term borrowings *(note 10)*	**(4,031.0)**	(3,719.4)
Deferred tax liabilities	**(110.8)**	(83.1)
Non-current creditors	**(60.1)**	(102.0)
	27,598.4	26,899.1
Total equity		
Share capital	**235.3**	235.3
Revenue and other reserves	**27,312.8**	26,621.7
Shareholders' funds	**27,548.1**	26,857.0
Non-controlling interests	**50.3**	42.1
	27,598.4	26,899.1

Hongkong Land Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2014

	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
2014 (unaudited)								
At 1st January	**235.3**	**370.0**	**25,753.3**	**(0.4)**	**498.8**	**26,857.0**	**42.1**	**26,899.1**
Total comprehensive income	**-**	**-**	**1,320.8**	**17.9**	**(225.4)**	**1,113.3**	**12.9**	**1,126.2**
Dividends paid by the Company	**-**	**-**	**(423.5)**	**-**	**-**	**(423.5)**	**-**	**(423.5)**
Dividends paid to non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**(4.7)**	**(4.7)**
Unclaimed dividends forfeited	**-**	**-**	**1.3**	**-**	**-**	**1.3**	**-**	**1.3**
At 31st December	**235.3**	**370.0**	**26,651.9**	**17.5**	**273.4**	**27,548.1**	**50.3**	**27,598.4**
2013								
At 1st January	235.3	370.0	24,983.9	(5.9)	564.4	26,147.7	36.7	26,184.4
Total comprehensive income	-	-	1,169.4	5.5	(65.6)	1,109.3	12.5	1,121.8
Dividends paid by the Company	-	-	(400.0)	-	-	(400.0)	-	(400.0)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(7.1)	(7.1)
At 31st December	235.3	370.0	25,753.3	(0.4)	498.8	26,857.0	42.1	26,899.1

The comprehensive income included in revenue reserves mainly comprises profit attributable to shareholders of the Company of US$1,327.4 million *(2013: US$1,189.6 million)* and a fair value loss on other investments of US$4.5 million *(2013: US$23.0 million)*. The cumulative fair value gain on other investments amounted to US$15.2 million *(2013: US$19.7 million)*.

Hongkong Land Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2014

	(unaudited) **2014 US$m**	2013 US$m
Operating activities		
Operating profit	**1,091.3**	834.7
Depreciation	**2.4**	2.4
Reversal of writedowns on properties for sale	**(55.6)**	(12.4)
Change in fair value of investment properties	**(15.9)**	81.9
Asset impairment reversals	**(9.2)**	-
Increase in properties for sale	**(310.5)**	(159.7)
Increase in debtors	**(28.6)**	(19.2)
Increase in creditors	**88.2**	245.2
Interest received	**50.7**	39.7
Interest and other financing charges paid	**(132.0)**	(116.7)
Tax paid	**(134.3)**	(139.1)
Dividends from associates and joint ventures	**152.5**	151.1
Cash flows from operating activities	**699.0**	907.9
Investing activities		
Major renovations expenditure	**(37.8)**	(40.2)
Developments capital expenditure	**(136.6)**	(134.0)
Investments in and loans to associates and joint ventures	**262.6**	(317.5)
Refund of deposit for joint ventures	**-**	114.1
Cash flows from investing activities	**88.2**	(377.6)
Financing activities		
Drawdown of borrowings	**1,216.9**	1,136.3
Repayment of borrowings	**(1,307.5)**	(849.5)
Contribution from non-controlling shareholders	**-**	1.1
Dividends paid by the Company	**(421.1)**	(397.4)
Dividends paid to non-controlling shareholders	**(4.7)**	(7.1)
Cash flows from financing activities	**(516.4)**	(116.6)
Effect of exchange rate changes	**(14.5)**	7.6
Net increase in cash and cash equivalents	**256.3**	421.3
Cash and cash equivalents at 1st January	**1,402.3**	981.0
Cash and cash equivalents at 31st December	**1,658.6**	1,402.3

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial information contained in this announcement has been based on the preliminary results for the year ended 31st December 2014 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

The preliminary results for the year ended 31st December 2014 are unaudited.

The following amendments and interpretation which are effective in the current accounting year and relevant to the Group's operations are adopted in 2014:

Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

The adoption of these amendments and interpretation does not have a material impact on the Group's accounting policies and disclosures.

Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities' are made to the application guidance in IAS 32 and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of offset' and 'simultaneous realisation and settlement'.

Amendments to IAS 36 'Recoverable Amount Disclosures for Non-Financial Assets' set out the changes to the disclosures when recoverable amount is determined based on fair value less costs of disposal. The key amendments are (a) to remove the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or indefinite lived intangible assets but there has been no impairment, (b) to require disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognised or reversed, and (c) to require detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed.

Amendments to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting' provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.

IFRIC 21 'Levies' sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

2. REVENUE

	2014 US$m	2013 US$m
Rental income	**842.5**	811.3
Service income	**123.9**	119.7
Sales of properties	**909.9**	926.1
	1,876.3	1,857.1

Service income includes service and management charges and hospitality service income.

Total contingent rents included in rental income amounted to US$14.4 million *(2013: US$14.9 million)*.

3. NET OPERATING COSTS

	2014 US$m	2013 US$m
Cost of sales	**(718.6)**	(858.1)
Other income	**13.6**	11.3
Administrative expenses	**(105.1)**	(93.7)
	(810.1)	(940.5)

4. OPERATING PROFIT

	2014 US$m	2013 US$m
By business		
Commercial Property	**800.7**	775.9
Residential Property	**328.9**	201.1
Corporate	**(62.3)**	(60.4)
	1,067.3	916.6
Change in fair value of investment properties	**15.9**	(81.9)
Asset impairment reversals	**9.2**	-
Expenses relating to transfer of listing segment of the Company's shares	**(1.1)**	-
	1,091.3	834.7

5. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	2014 US$m	2013 US$m
By business		
Commercial Property	**98.0**	91.4
Residential Property	**24.8**	143.8
Underlying business performance	**122.8**	235.2
Non-trading items:		
Change in fair value of investment properties (net of deferred tax)		
- Commercial Property	**390.8**	346.7
- Residential Property	**1.4**	4.7
	392.2	351.4
Asset disposals	**0.1**	(0.1)
	392.3	351.3
	515.1	586.5

Results are shown after tax and non-controlling interests in the associates and joint ventures.

6. TAX

Tax charged to profit and loss is analysed as follows:

	2014 US$m	2013 US$m
Current tax	**(169.0)**	(141.8)
Deferred tax		
- changes in fair value of investment properties	**(7.8)**	(8.1)
- other temporary differences	**(18.9)**	(7.2)
	(26.7)	(15.3)
	(195.7)	(157.1)

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

	2014 US$m	2013 US$m
Remeasurements of defined benefit plans	**0.4**	(0.6)
Cash flow hedges	**(3.5)**	(0.6)
	(3.1)	(1.2)

Tax on profits has been calculated at the rates of taxation prevailing in the territories in which the Group operates. The Group has no tax payable in the United Kingdom *(2013: nil)*.

6. TAX *(continued)*

Share of tax charge of associates and joint ventures of US$86.0 million *(2013: US$111.3 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, investments and investment properties; impairment of non-depreciable intangible assets and other investments; 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:

	2014 US$m	2013 US$m
Change in fair value of investment properties	**15.9**	(81.9)
Deferred tax on change in fair value of investment properties	**(7.8)**	(8.1)
Share of change in fair value of investment properties of associates and joint ventures (net of deferred tax)	**392.2**	351.4
Asset impairment reversals	**9.2**	-
Share of asset disposals of associates and joint ventures	**0.1**	(0.1)
Expenses relating to transfer of listing segment of the Company's shares	**(1.1)**	-
Non-controlling interests	**(11.0)**	(6.5)
	397.5	254.8

8. EARNINGS PER SHARE

Earnings per share are calculated on profit attributable to shareholders of US$1,327.4 million *(2013: US$1,189.6 million)* and on the weighted average number of 2,352.8 million *(2013: 2,352.8 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:

	2014		2013	
	US$m	**Earnings per share US¢**	US$m	Earnings per share US¢
Underlying profit attributable to shareholders	**929.9**	**39.52**	934.8	39.73
Non-trading items *(note 7)*	**397.5**		254.8	
Profit attributable to shareholders	**1,327.4**	**56.42**	1,189.6	50.56

9. INVESTMENT PROPERTIES

	2014 US$m	2013 US$m
At 1st January	**23,583.0**	23,493.7
Exchange differences	**(48.2)**	(16.0)
Additions	**146.6**	187.2
Increase/(decrease) in fair value	**15.9**	(81.9)
At 31st December	**23,697.3**	23,583.0

10. BORROWINGS

	2014 US$m	2013 US$m
Current		
Bank overdrafts	**4.0**	4.0
Current portion of long-term borrowings		
- bank loans	**0.3**	201.2
- notes	**284.3**	506.9
	288.6	712.1
Long-term		
Bank loans	**1,119.6**	997.8
3.65% Singapore dollar notes due 2015	**-**	297.2
Medium term notes		
- due 2017	**39.3**	41.7
- due 2019	**103.1**	103.0
- due 2020	**311.3**	314.7
- due 2021	**68.8**	66.8
- due 2022	**601.1**	578.9
- due 2023	**179.1**	179.1
- due 2024	**408.5**	-
- due 2025	**654.4**	655.7
- due 2026	**38.6**	38.6
- due 2027	**185.9**	185.8
- due 2028	**79.5**	79.5
- due 2029	**50.8**	-
- due 2030	**103.2**	103.2
- due 2031	**25.4**	25.4
- due 2032	**30.3**	19.9
- due 2040	**32.1**	32.1
	2,911.4	2,424.4
	4,031.0	3,719.4
	4,319.6	4,431.5

11. DIVIDENDS

	2014 US$m	2013 US$m
Final dividend in respect of 2013 of US¢12.00 *(2012: US¢11.00)* per share	**282.3**	258.8
Interim dividend in respect of 2014 of US¢6.00 *(2013: US¢6.00)* per share	**141.2**	141.2
	423.5	400.0

A final dividend in respect of 2014 of US¢13.00 *(2013: US¢12.00)* per share amounting to a total of US$305.9 million *(2013: US$282.3 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting. The amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2015.

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 31st December 2014 amounted to US$652.6 million *(2013: US$947.1 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 condensed financial statements.

13. RELATED PARTY TRANSACTIONS

The parent company of the Group is Jardine Strategic Holdings Limited and the ultimate holding company is Jardine Matheson Holdings Limited ('JMH'). Both companies 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 2014 was US$4.7 million *(2013: US$4.7 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 2014 amounted to US$19.0 million *(2013: US$19.0 million)*.

The Group provided consultancy services to Jardine Matheson group members in 2014 amounting to US$0.4 million *(2013: US$0.4 million)*.

Jardine Matheson group members provided property construction, maintenance and other services to the Group in 2014 in aggregate amounting to US$30.6 million *(2013: US$53.9 million)*.

Hotel management services
Jardine Matheson group members provided hotel management services to the Group in 2014 amounted to US$3.2 million *(2013: US$2.9 million)*.

Outstanding balances with associates and joint ventures
Amounts of outstanding balances with associates and joint ventures are included in debtors and creditors as appropriate. The amounts are not material.

Hongkong Land Holdings Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The process by which the Group identifies and manages risk will be set out in more detail in the Corporate Governance section of the Company's 2014 Annual Report (the 'Report'). The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure 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 and Chief Executive's Review.

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 on the Group's joint venture partners, bankers, suppliers or tenants. These developments can result in:

- 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 developments.

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

Commercial Risk and Financial Risk

Risks are an integral part of normal commercial practices, and where practicable steps are taken to mitigate such risks. These risks are further pronounced when operating in volatile markets.

The Group makes significant investment decisions in respect of commercial and residential development projects that take time to come to fruition and achieve the desired returns and are, therefore, subject to market risks. These risks are further pronounced when operating in volatile markets.

The Group operates in areas that are highly competitive, and failure to compete effectively in terms of price, product specification or levels of service can have an adverse effect on earnings as can construction risks in relation to new developments. Significant pressure from such competition may lead to reduced margins. The quality and safety of the products and services provided by the Group are also important and there is an associated risk if they are below standard.

The 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 environments in the territories in which it operates. Changes in the regulatory approach to such matters as foreign ownership of assets and businesses, exchange controls, planning controls, tax rules and employment legislation have the potential to impact the operations and profitability of the Group. Changes in the political environment in such territories can also affect the Group.

Terrorism, Pandemic and Natural Disasters

A number of the Group's interests are vulnerable to the effects of terrorism, either directly through the impact of an act of terrorism or indirectly through the impact of generally reduced economic activity in response to the threat of or an actual act of terrorism.

The Group would be impacted by a global or regional pandemic which could be expected to seriously affect economic activity and the ability of our business to operate smoothly. In addition, many of the territories in which the Group is active can experience from time to time natural disasters such as earthquakes and typhoons.

Responsibility Statement

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

(a) the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and

(b) the sections of the Company's 2014 Annual Report, including the Chairman's Statement, Chief Executive's Review and Principal Risks and Uncertainties, which constitute the management report include a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.1.8 to 4.1.11 issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Y.K. Pang
John R. Witt

Directors

The final dividend of US¢13.00 per share will be payable on 13th May 2015, subject to approval at the Annual General Meeting to be held on 6th May 2015, to shareholders on the register of members at the close of business on 20th March 2015. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 18th and 19th March 2015, respectively. The share registers will be closed from 23rd to 27th March 2015, inclusive.

Shareholders will receive their dividends in United States dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2014 final dividend by notifying the United Kingdom transfer agent in writing by 24th April 2015. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 29th April 2015. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive 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 20th March 2015, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, no later than 5.00 p.m. (local time) on 19th March 2015.

Hongkong Land Group

Hongkong Land is one of Asia's leading property investment, management and development groups. Founded in 1889, Hongkong Land's business is built on excellence, integrity and partnership.

The Group owns and manages almost 800,000 sq. m. of prime office and luxury retail property in key Asian cities, principally in Hong Kong and Singapore. Hongkong Land's properties attract the world's foremost companies and luxury brands.

The Group's prime Hong Kong portfolio of some 450,000 sq. m. is located in the heart of the Central district. In Singapore, its 165,000 sq. m. portfolio consists largely of prestigious office space located at Marina Bay, much of which is held through joint ventures. The Group also has a 50% interest in a prime office complex in Central Jakarta, and has a number of projects under development that include a luxury retail centre at Wangfujing in Beijing.

Hongkong Land is developing a number of largely residential projects, in cities across Greater China and Southeast Asia. In Singapore, its subsidiary, MCL Land, is a well-established residential developer.

Hongkong Land Holdings Limited is incorporated in Bermuda and has a standard listing on the London Stock Exchange as its primary listing, 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 -

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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2014 can be accessed through the Internet at 'www.hkland.com'.