Hongkong Land

Annual Report 2024

24

Experience is central™

Hongkong Land is a major listed property investment, management and development group. Founded in 1889, it is a market leader in the development of experience-led city centres that unlock value for generations by combining innovation, placemaking, exceptional hospitality and sustainability.

The Group focuses on developing, owning and managing ultra-premium mixed-use real estate in Asia's gateway cities, featuring Grade A office, luxury retail, residential and hospitality products. Its mixed-use real estate footprint spans more than 830,000 sq. m., with flagship projects in Hong Kong, Singapore and Shanghai. Its properties hold industry-leading green building certifications and attract the world's foremost companies and luxury brands.

The Group's Hong Kong Central portfolio represents some 450,000 sq. m. of prime property. LANDMARK, the luxury shopping destination of the Hong Kong Central portfolio, is undergoing a three-year, US$1 billion expansion and upgrade, which aims to reinforce the portfolio as a world-class destination for luxury, retail, lifestyle and business. The Group has a further 165,000 sq. m. of prestigious office space in Singapore, mainly held through joint ventures, and five retail centres on the Chinese mainland, including a luxury retail centre at Wangfujing in Beijing.

In Shanghai, the Group owns a 43% interest in a 1.1 million sq. m. mixed-use project in West Bund. Due to complete in 2028, it will comprise of Grade A offices, luxury and retail space, high-end waterfront residential apartments, hotels and convention and cultural facilities. Alongside LANDMARK, it forms part of the Group's CENTRAL Series of globally-recognised destinations for luxury and lifestyle experiences.

Hongkong Land Holdings Limited is incorporated in Bermuda and has a primary listing in the equity shares (transition) category of the London Stock Exchange, with secondary listings in Bermuda and Singapore. Hongkong Land is a member of the Jardine Matheson group.

A member of the Jardine Matheson Group

Contents

Corporate Information

Directors

John Witt Chairman
(appointed as Chairman on 28 October 2024)

Michael Smith Chief Executive

Robert Wong Chief Executive
(stepped down on 31 March 2024)

Craig Beattie Chief Financial Officer

Stuart Grant

Lily Jencks

Ben Keswick
(stepped down as Chairman and Director on 28 October 2024)

Adam Keswick

Lincoln K.K. Leong

Ming Mei
(joined the Board on 10 October 2024)

Anthony Nightingale
(stepped down on 31 January 2024)

Christina Ong
(stepped down on 28 October 2024)

Y.K. Pang
(stepped down on 31 March 2024)

Company Secretary

Jonathan Lloyd

Registered Office

Jardine House, 33-35 Reid Street, Hamilton, Bermuda

Executive Management

Michael Smith Chief Executive

Craig Beattie Executive Director and Chief Financial Officer

Kenneth Foo Executive Director and Chief Property Management Officer

Kong Kei Yeuk Executive Director and Chief Commercial Officer

Michelle Ling Executive Director and Chief Investment Officer
(joined on 6 January 2025)

John Simpkins Executive Director and General Counsel

Jacqueline Tan Executive Director and Chief Corporate Officer

Raymond Wong Executive Director and Chief Development Officer

Yolice Wu Executive Director and Chief People & Culture Officer

Highlights

- Strategic Vision to 2035 launched
- Underlying profit down 44% to US$410 million (down 12% to US$724 million excluding provisions)
- Prime portfolios continued to be underpinned by market-leading occupancy levels
- Build-to-sell contributions from the Chinese mainland excluding provisions up over 40% from the prior year
- Capital recycling initiatives progressing
- Group financial position remains strong; net debt reducted by US$0.3 billion
- Final dividend at US¢17.00 per share, up 6%

Results

	2024 **US$m**	2023 US$m	Change %
Underlying profit attributable to shareholders*	**410**	734	(44)
Underlying profit excl. Chinese mainland non-cash provisions#	**724**	824	(12)
Loss attributable to shareholders	**(1,385)**	(582)	138
Shareholders' funds	**29,940**	31,965	(6)
Net debt	**5,088**	5,371	(5)

	US¢	US¢	%
Underlying earnings per share*	**18.56**	33.15	(44)
Underlying earnings per share excl. Chinese mainland non-cash provisions#	**32.81**	37.22	(12)
Loss per share	**(62.76)**	(26.29)	139
Dividends per share	**23.00**	22.00	5

	US$	US$	%
Net asset value per share	**13.57**	14.49	(6)

* 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 30 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.

\# Excludes net provisions for the Chinese mainland build-to-sell segment

A final dividend of US¢17.00 per share will be payable on 14 May 2025, subject to approval at the Annual General Meeting to be held on 2 May 2025, to shareholders on the register of members at the close of business on 21 March 2025.

Experience is central™

Hongkong Land develops, manages and invests in real estate that defines the core of Asia's cities.

Our mission is to create experience-led city centres that unlock value for generations, because we view city centres as the ultimate sources of connection, inspiration and innovation.

Our Ambition

In 2024 we affirmed a new strategic direction, to become the leader in Asia's gateway cities focused on ultra-premium integrated commercial properties. Achieving this ambition means focusing on four long-standing strengths within our business and matching this to the potential which exists within key Asian markets.

Innovation –

We were the first to champion the reclamation of new land and bold thinking remains at the forefront as we grow our ambition in line with our new strategy.

Hospitality –

We are deepening strong relationships and partnerships, with attention to detail on the needs of today and tomorrow's customer.

Defining City-centres –

From Singapore to Shanghai, we invest in central locations and with our new strategy will expand our horizons in the future.

Excellence –

Since 1889, we have been known for our visionary leadership. We invest in places to ensure they remain magnets for people and business.

Our Chairman (page 6) and Chief Executive (page 8) share more about our new strategy, and read how we will create value on page 12.

Our Portfolio in 2024

830,000+m²
Prime Mixed-Use Properties

US$1.3 billion+
Annual Gross Rental Income

135+
Years of Excellence


Hong Kong

The Anchors to Our Portfolio

Our flagship properties in Hong Kong, Singapore and Shanghai are the base from which we grow across the region.

Hong Kong

The Central Portfolio consists of 12 interconnected prime commercial buildings, providing over 4 million sq. ft of Grade A office and luxury retail space. 'Tomorrow's CENTRAL', a more than US$1 billion retail transformation in partnership with our luxury tenants, will continue to reinforce Central as a world-class destination.

Singapore

Our portfolio includes Marina Bay Financial Centre, one of Asia's most ambitious mixed-use developments, pivotal in creating an expansive financial district for the Lion City.

Shanghai

At 1.1 million sq. m., Westbund Central is the largest commercial project underway in Asia. Its high-quality retail and office offering is gaining strong momentum, with global and leading local companies and brands moving to secure space in the development ahead of its completion.

Our Values

How we operate is fundamental to how we build better places, deliver on our strategy, and achieve long-term success.

Always Forward

We innovate to maintain our competitive edge and earn the confidence of our investors and customers, who trust us to keep them ahead of the curve.

Think in Generations

Dedication to quality is the cornerstone of our success. We act as stewards of craftsmanship with a vision for the long-term.

Be a Bridge

Lasting relationships create lasting business. We are trusted partners fostering meaningful connections between colleagues and customers.


Singapore


Shanghai

Introducing a New Strategy to Focus on Our Core Strengths

Chairman's Overview

It is my pleasure to be writing to you for the first time as Chairman of Hongkong Land.

2024 was a transformational year for Hongkong Land. Following the appointment of Michael Smith as Chief Executive in April, the Group embarked on an in-depth review of its business strategy, with the goal of setting clear long-term growth objectives and targets to deliver enhanced shareholder value. This process concluded in October with the announcement of a new strategic direction, underpinned by a range of enhancements to our governance, including the composition and operation of our Board and Committees.

A New Strategic Direction for Hongkong Land

As a result of the strategic review, the Group's clear ambition is to become the leader in Asia's gateway cities focused on ultra-premium integrated commercial properties. The new strategy reinforces Hongkong Land's core capabilities, generate growth in long-term recurring income and deliver superior returns to shareholders.

Our priority is now to simplify the business, with a primary focus on ultra-premium mixed-use commercial properties in Asia's gateway cities. As a result, we will no longer invest in the build-to-sell segment, but will instead actively recycle capital out from this segment into new integrated commercial property opportunities.

Anchoring the portfolio will be the Group's existing flagship prime mixed-use projects in Hong Kong, Singapore and Shanghai, which provide a resilient base of significant recurring earnings to support future investments in Asia's gateway cities.

This strategy will, in time, enable us to focus on a smaller number of ultra-premium projects consistent with Hongkong Land's brand name and reputation. In order to deliver enhanced shareholder value, the Board agreed clear long-term growth objectives and targets with management, supported by near-term performance metrics.

This new strategy is not expected to be reliant on group net debt or funding from shareholders, preserving our investment grade credit-rating. The speed at which we can implement our plans will rely on our capital recycling and management capabilities.

Given the size and diversity of the Group's existing real estate portfolio, the new strategy is expected to take a number of years, with progress to be measured across three implementation phases. Phase one primarily focuses on the recycling of capital and establishment of deal sourcing and fundraising capabilities. Further phases involve the deployment of capital into long-term prime properties investment opportunities, accompanied by active capital recycling and third-party capital initiatives.

Strengthening Our Corporate Governance

The Board and its Committees, and senior management, together play a key role in delivering against our priorities. The effective delivery of our strategy depends on high quality debate around the boardroom table, with strong contributions from all Directors.

This year marked a new beginning for Hongkong Land. Michael successfully led the Group's strategic review. On 28 October, I became the Chair of the Board and the Remuneration and Nominations Committees. As management continues to focus on growing shareholder value and returns, the Board aims to provide both challenge and support, with effective discussion and decision-making.

We especially value the opportunity to leverage the industry expertise and experience of the Company's Non-Executive Directors. In October, we were delighted to welcome Ming Mei as an Independent Non-Executive Director and as a member of the Remuneration and Nomination Committees.

In 2024, we focused on reshaping our governance framework and how it operates, in a way that supports the implementation of the Group's new strategy. We established an Investment Committee of the Board at the end of October, to support management on material strategic decisions relating to capital expenditures, partnerships and transactions.

We have also updated the Committees' terms of reference and enhanced their operation, to enable them to play an important role in supporting the Board through their more in-depth focus on relevant matters, leveraging the skillsets and experience of the members of each Committee.

Finally, I want to express our gratitude to our former Chief Executive Robert Wong, for his over 38 years' outstanding service to the Group. Also to my predecessor Ben Keswick, for his significant contribution over many years as Chairman and Director. Further thanks and acknowledgements must be made to Anthony Nightingale, Y.K. Pang and Christina Ong, who all stepped down from the Board in 2024; and Graham Baker and Adam Keswick, who stepped down from the Remuneration and Nominations Committees respectively. We will continue to benefit from Adam's expertise as a Non-Executive Director.

Embedding Sustainability into Everything We Do

Our continued commitment and strong performance on sustainability initiatives was recognised in a number of ESG ratings. The Group was awarded a top Global Real Estate Sustainability Benchmark (GRESB) score of 100 for the Development Benchmark (Diversified), the highest score globally. In addition, the Group was named Global Listed Sector Leader (Diversified Sector) under both GRESB's Standing Investment and Development benchmarks. Additionally, for the first time, we were included as a constituent of the Dow Jones Sustainability World Index, placing us among the top 6% of global performers. The Group also qualified as a constituent of the Dow Jones Sustainability Asia Pacific Index for the third consecutive year.

There was good progress in 2024 against the Group's 2030 decarbonisation targets, which were validated by the Science Based Targets initiative in 2022. Absolute Scope 1 and 2 carbon emissions reduced by 33% against a 2019 baseline. Increasing procurement of renewable energy and implementation of further energy efficiency initiatives in the coming years will be critical to achieving our 2030 target, as the Group's pipeline of commercial properties are progressively completed.

From increasing green building certification and sustainable financing, to reducing commercial waste, and enhancing collaboration between tenants and our teams, we have taken a holistic approach to continually enhancing the sustainability of the business.

Finally, I am delighted we continue to make strong advances in our corporate citizenship ambitions. In 2024, Hongkong Land HOME FUND hit a milestone of supporting half a million people across Asia. We take great pride in making a meaningful contribution, through time, expertise and investment, to our local communities.

Sustainable development remains at the top of our agenda. Going forward, we continue to set ambitious targets across the business and collaborate closely with our stakeholders to deliver on them.

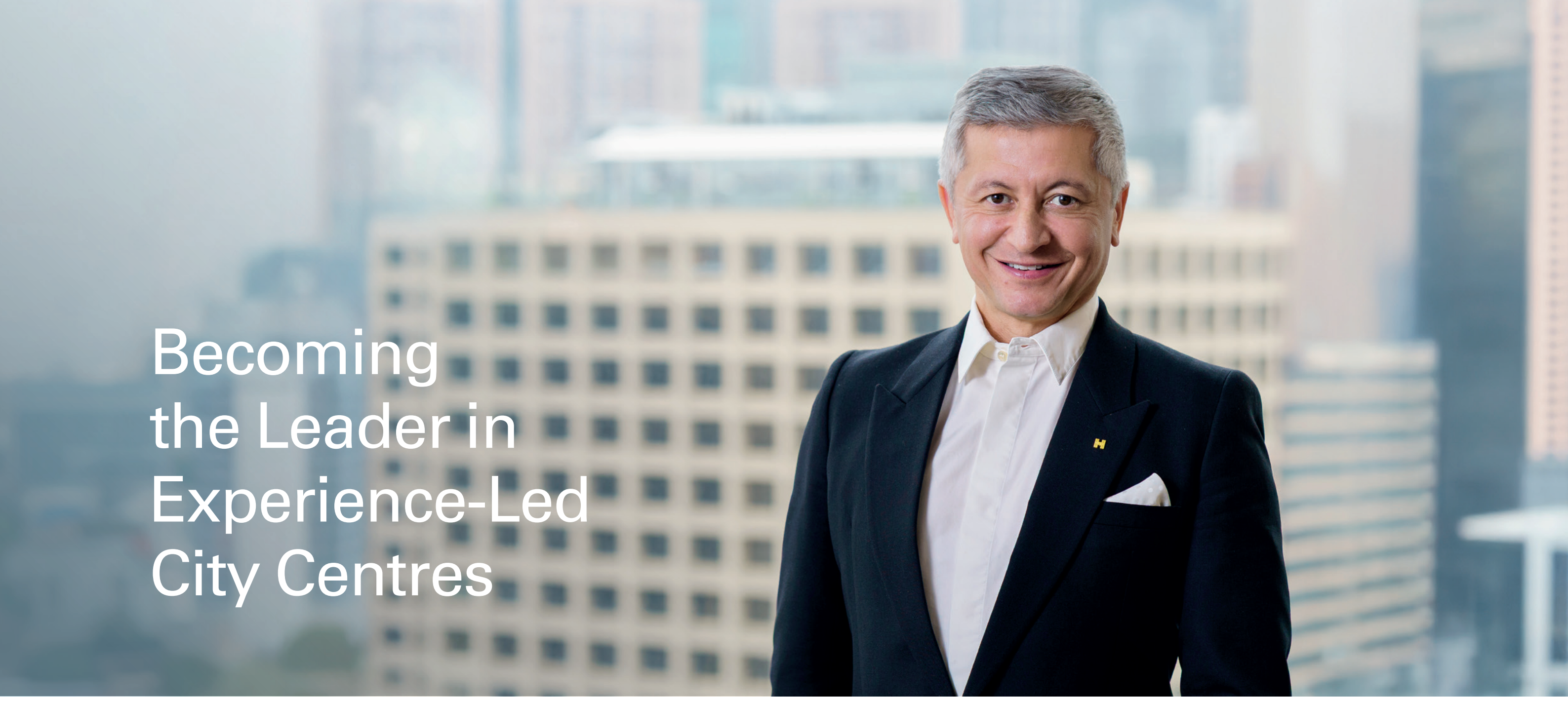
Focusing on the 10 Years Ahead

Looking ahead, the Group is focused on undertaking the initial phase of work to position the business to deliver on its new strategy, which primarily include the recycling of capital, the establishment of deal sourcing and fundraising capabilities, and delivering our pipeline of integrated commercial projects across the Chinese mainland and the wider region.

While there are macroeconomic challenges ahead, we are optimistic on the long-term potential for ultra-premium integrated commercial assets in selected Asia's gateway cities and will continue to actively seek new investment opportunities in these markets.

On behalf of the Board, I would like to express my appreciation to our shareholders, our valued partners and to the wider community for your continued support. Most of all, thanks must go to our colleagues, who are the key to our success, for their exceptional work throughout the past year.

John Witt
Chairman



Becoming the Leader in Experience-Led City Centres

Chief Executive's Review

It has been an incredible first year as Chief Executive of Hongkong Land. I am proud to lead a business built on a legacy of innovation and exceptional hospitality – ever since we reclaimed land to build Hong Kong's iconic Central district over 135 years ago.

Today, Hongkong Land has unique, world-class assets and developments in Asia's greatest cities – from Singapore to Shanghai, with a coveted portfolio of over 2,500 premium tenants, including the world's leading corporations and most prestigious luxury brands. The Hongkong Land brand travels across geographies in this region and beyond, with blue chip tenants, investment partners and high-net worth customers who know us and trust us.

For us, **Experience is central**. More than a tagline, this sums us up as a business. We harness our heritage and real-estate expertise to realise our vision for city centres that connect and inspire for generations to come. The targets we have set, plans we have agreed and changes we are making to our business model will enable us to do this for another century.

When we take our fundamental strengths together, mapped against a comprehensive assessment of where the growth opportunities are across Asia, it has crystallised into the core elements of the new strategy we will pursue. In short, our ambition is to become the leader in Asia's gateway cities focused on ultra-premium, integrated commercial properties.

Introducing a New Strategy to Realise Our Ambition

In October, I announced that we will strategically focus our growth in ultra-premium integrated commercial assets in Asia's gateway cities. This includes continuing to invest in our existing gateway cities' portfolios, whilst also seeking out new opportunities in other regional gateway cities.

To fund this growth, we will recycle up to US$10 billion over the next 10 years, primarily from three main sources – winding down existing inventory from the build-to-sell segment across the entire Group, divestment of non-core commercial assets, and recycling mature prime property assets into REITS and other third-party capital vehicles. While the target of US$10 billion will adjust from year-to-year depending on market conditions, a greater share is expected to be realised in the short to medium term, with an initial estimated target of US$4 to 6 billion by 2027.

The exit from the build-to-sell segment is a strategic pivot for our business, with no new standalone investments to be made in this segment. The capital currently invested in this segment will, in time, produce superior shareholder returns as we redeploy capital to prime commercial assets that will produce growth in resilient recurring income.

We have a long track record of being a steward of shareholders' capital. In time, we will look to bring in third-party capital in a more disciplined and systematic way, to support our growth ambitions and to improve returns on our equity. Finally, we will evolve our capital allocation framework with more discipline and an absolute focus on creating shareholder value.

Starting a New Chapter for Hongkong Land

The roll-out of the new strategy has already commenced, with the initial phase focused on the recycling of capital as well as the establishment of deal sourcing and fundraising capabilities. In January 2025, we welcomed Michelle Ling to the newly created role of Chief Investment Officer. Michelle's focus will be on formulating and implementing investment and capital management strategies, while also facilitating the Group's growth through strategic transactions. With over 20 years of experience in the real estate sector, encompassing both private and public domains, Michelle brings a wealth of expertise to our organisation and we are excited to have her on board.

Our people will sit at the centre of making this new future for Hongkong Land a reality. Guided by redefined values that empower our colleagues, and with talent development programmes in progress, we are matching our commitment to excellence in everything we do, with action that grows a best-in-class team. At the end of last year, we removed the barriers that existed between teams based on their geographies, to deepen a culture of collaboration and innovation.

Additionally, a new share-based Long-Term Incentive Plan (LTIP) has been introduced for senior leadership effective from 1 January 2025, to align senior management's interests with those of shareholders. The plan will principally reward senior leadership based on Total Shareholder Returns (TSR) over a three to five year period, measured both in absolute terms and with reference to a basket of real estate peers' TSR performance.

In capturing what makes Hongkong Land unique within our business strategy, and the way our people work, the Board and I have agreed there also needs to be greater visibility to the wider world. At the end of 2024, we introduced a new visual and corporate identity for Hongkong Land – one which captures our strengths, our premium position and our aspiration for the future. And in February 2025, we began the roll-out of **Experience is central** to embed our new branding across our portfolio.

Making Major Investments in Our Portfolio

Our portfolios in Hong Kong, Shanghai and Singapore are the anchors to our new strategy. Investments announced in 2024 epitomise the strategic focus on ultra-premium integrated commercial properties, that will deliver value over the long-term.

In June 2024, the Group started work on the Tomorrow's CENTRAL transformation to reinforce Central Hong Kong as a world class destination for luxury retail, lifestyle and business. This project involves a US$1 billion strategic investment, of which US$400 million will be met by the Group.

An Overview of Our Operations

Despite an uncertain macro-economic backdrop, Hongkong Land delivered a resilient performance for the year. Contributions from the Prime Properties Investment segment were lower, although our commercial portfolios across the region outperformed their respective markets. The contribution from the build-to-sell segment decreased due to the non-cash provisions recognised in the Chinese mainland business, however excluding this charge, earnings were 29% higher than the prior year.

Profits from Prime Properties Investments in 2024 were 5% lower than the prior year, primarily a result of lower contributions from the Group's Hong Kong Central Portfolio, partially offset by better performances in the office portfolio in Singapore. The value of the Group's Investment Properties portfolio at 31 December 2024 declined by 5%, mainly due to lower market rents for the Hong Kong office portfolio.

Hong Kong

The Group's Central office portfolio remains the pre-eminent, best-in-class office space in the market. Physical vacancy was 7.3% at year end, broadly unchanged from the end of 2023. On a committed basis, vacancy was 7.1%, significantly lower than the wider Grade A Central market vacancy level of 11.6%, indicating our offices continue to be in high demand despite subdued broader market fundamentals. The Group's average portfolio office rent in 2024 was HK$101 per sq. ft, down from last year's average of HK$106 per sq. ft. Grade A Central office rents fell by as much as 13% in 2024. The weighted average lease expiry of the office portfolio at the end of 2024 stood at 3.7 years. The Group's Central office portfolio's outperformance of key benchmarks in the Central Grade A office market is indicative of a market further bifurcating between the most premium space and the rest. Our new strategy to focus on ultra-premium office spaces indicates our portfolio is well positioned to take advantage of supportive market conditions when they occur.

Contributions from the Group's luxury retail portfolio in Hong Kong were lower in 2024 compared to 2023, due to planned tenant movements as part of the Tomorrow's CENTRAL transformation. However, the ultra-high net worth segment remained resilient, as customers with cumulative spending of over HK$200,000 per annum increased by 1% compared to 2023, despite a generally weak luxury retail market in 2024. This is an indication that Hong Kong continues to be unrivalled as one of the world's most attractive and diverse cities that attracts ultra-high net worth individuals, and LANDMARK is the destination of choice for them to spend. Average retail rent in 2024 increased to HK$210 per sq. ft from HK$203 per sq. ft due to positive rental reversions. Vacancy on both a physical and committed basis remained low at 3.0%, despite tenant relocations as a result of the works in progress.

Upon completion of the Tomorrow's CENTRAL transformation over a three-year period, LANDMARK will house 10 world-class multi-storey Maison destinations. A 20,000 sq. ft flagship Sotheby's retail space opened in 2024 with two more exciting Maisons expected to open in 2025. The Maisons will meet our luxury tenants' demand for additional luxury retail space to house their integrated and experiential offerings, to cater to LANDMARK's deep pool of loyal and discerning clients. This will also further expand the Group's regional market share and leadership in the luxury goods segment.

The value of the Group's Investment Properties portfolio in Hong Kong at 31 December 2024, based on independent valuations, declined by 5% to US$22.8 billion (excluding impact of accounting reclassification for areas occupied by the Group), as a result of a decline in market rent for HK office.

Singapore

The Group's Singapore office portfolio delivered another year of strong operational performance. Physical vacancy at the Group's office portfolio was 1.6% at the end of 2024, while on a committed basis vacancy was 1.0%, compared to 0.9% at the end of 2023. Average rent increased to S$11.1 per sq. ft in 2024, up from S$10.9 per sq. ft in the previous year. The weighted average lease expiry of the office portfolio at the 2024 year-end stood at 3.3 years *(2023: 3.1 years)*. The valuation of the Investment Properties portfolio in Singapore was stable year over year.

Chinese mainland & Macau

Performances were mixed during the year, with contributions in ONE CENTRAL Macau reducing due to the impact of planned mall renovations, as well as a weaker operating environment. Conversely, contributions from the Group's luxury retail mall in Beijing, WF CENTRAL, increased compared to the prior year, driven by tenant mix optimisations despite a challenging market landscape.

The first component of West Bund, the Group's mega-development in Shanghai, was completed in 2024 with resounding success, as 80 luxury residential units were handed over to buyers in 2024. These ultra-premium residential units were sold at prices amongst the highest in the Shanghai primary residential market, which is evidence that the Group's products continue to be highly sought-after. Completion of the other components is expected to occur in phases from 2025 to 2027.

Development of luxury retail projects in Suzhou and Chongqing progressed well, with openings scheduled in 2027. Four Mandarin Oriental hotels are under construction in mixed-use projects, bringing the number of hotels in operation and under development to eight.

A Review of Our Build-To-Sell Segment

Although earnings from the Group's build-to-sell business were lower in 2024 compared to 2023, this was as a result of US$314 million net non-cash provisions in the Chinese mainland build-to-sell segment recognised during the year. Excluding the provision, contributions from the build-to-sell segment increased by 29% compared to 2023.

As the Group had moderated its pace of land banking for the build-to-sell segment since 2022 and will no longer deploy capital into new opportunities, contributions is expected to decline over the next several years as capital is recycled.

Chinese mainland

As at 31 December 2024, the Group's net investment in the build-to-sell segment on the Chinese mainland was US$5.8 billion, compared to US$6.6 billion at the end of 2023.

The Group's attributable interest in revenue recognised in 2024, including its share of revenue in joint ventures and associates, was US$2,204 million, compared to US$1,621 million in 2023, primarily due to more completions and an active programme to accelerate sales of existing inventory. The Group's share of total contracted sales in 2024 was US$1,343 million, lower than the US$1,530 million achieved in the prior year. At 31 December 2024, the Group's attributable interest in sold but not yet recognised contracted sales amounted to US$1,112 million, compared to US$2,031 million at the end of 2023.

Singapore

The Group's premium residential developments in Singapore continued to draw strong interest in the market. In November, the Group launched sales for one project – Nava Grove – in which 64% was pre-sold at the end of 2024. The Group's attributable interest in contracted sales was US$460 million in 2024, compared to US$587 million in the prior year, primarily due to limited inventory available for sale. The Group's attributable interest in revenue recognised in 2024 was US$351 million, compared to US$443 million in the prior year. At 31 December 2024, the Group's attributable interest in sold but not yet recognised contracted sales amounted to US$829 million, compared to US$736 million at the end of 2023.

2025 Outlook

Macro-economic challenges and geopolitical uncertainties are likely to persist in 2025, resulting in challenging market conditions.

Results in 2024 were impacted by inventory provisions from the Chinese mainland build-to-sell business. For 2025, contributions from the Central Portfolio will be impacted by negative office rental reversions and the ongoing Tomorrow's CENTRAL transformation which will see up to 40% of LANDMARK's leasable floor area under renovation. Lower margins and substantially lower contributions from the build-to-sell segment are also expected, as the Group continues to wind-down residential inventory amidst uncertain market conditions. Overall, we expect 2025 underlying profits to partially recover from the prior year, although at levels well below that of 2023.

The Group remains in a robust financial position with a pipeline of ultra-premium properties under development. Capital recycling initiatives will be prioritised in line with our new strategy.

Looking Forward

Over the past several years, we have witnessed a growing divergence between the performances of the highest quality commercial spaces and the rest. Our properties across the region are highly sought after and enjoyed sustained outperformance relative to their respective markets. Our strategic focus on ultra-premium commercial properties will further solidify our position to deliver sustainable growth over the long-term.

We will continue to curate a portfolio in Hong Kong and across the region that continues to set new standards in place creation. We will progress the evolution of our business operations in line with our strategy and Sustainability Framework 2030. Our mission is clear: we create experience-led city centres, ones that unlock value for generations to come.

Thanks to the hard work, decision-making and thinking that we undertook in 2024, we began 2025 with a strong start – a new leadership focus, a new business strategy, a new corporate mission and identity all in place. Now all our attention is firmly fixed on delivering growth and value.

Michael Smith
Chief Executive

How We will Create Long-Term Value

Our strategy, which began in 2024 and will be executed over the next few years, will see us simplify our business to focus on Investment Properties in Asia's gateway cities.

The strategy sets us up for another century of success, delivering enhanced shareholder value in the years ahead. It creates lasting value for our cities' communities, through our place innovation and enduring commitment to exceptional experiences. Its core tenets:

New Strategic Investment

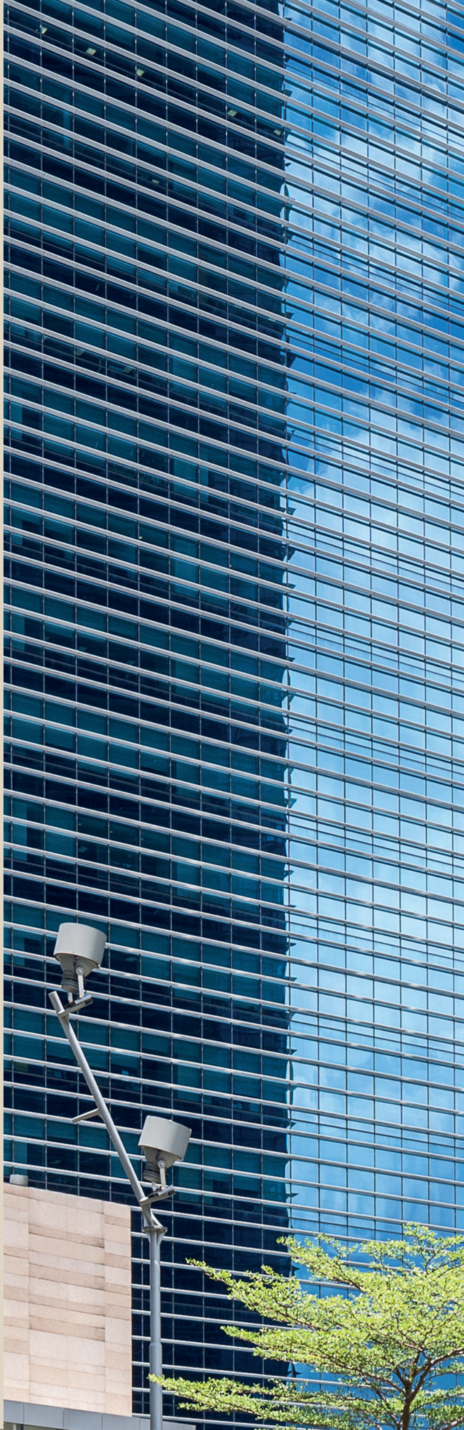
We continue to invest in ultra-premium integrated investment properties to create enduring leading destinations

A Simplified Portfolio

With a focus on our core capabilities, there is no longer any new investments in build-to-sell assets

Growing from Our Portfolio Anchors

Central, Hong Kong, Marina Bay, Singapore and West Bund, Shanghai are the flagships which fuel our future growth



Our 2035 Targets

Double Underlying Profit before Interest and Tax
in a geographically diversified manner, with no single city accounting for more than 40%

Double Dividends per Share
from US¢22 per share to US¢44 per share

Grow Assets under Management to US$100 billion
with meaningful participation from third-party capital

Actively Recycle Capital
of up to US$10 billion

Evolving Our Business Model

Implementing our strategy revolves around four areas of focus

Capital Management
Focus on returns on capital, with excess capital returned to shareholders

Portfolio Recycling
Exit non-core businesses and sell-down mature assets into HKL-managed REITs

Ultra-Premium Gateway Assets
Develop/acquire premium commercial properties in Asia's gateway cities, utilising our own development capabilities

Third-party Capital
Leverage third-party capital to recycle assets and fund growth

The Role of Our People

As part of the new strategy, we reinvigorated the way we work – with a renewed focus on innovation and collaboration. Our teams are now organised by function and specialism, allowing best practice to be shared across borders as we grow in Asia's cities. From the start of 2025, our senior management are incentivised by a new Long-Term Incentive Plan as we execute our strategy.

Financial Review

Results

Underlying Business Performance

	2024 US$m	2023 US$m
Prime Properties Investment	**930**	984
Build-to-sell	**126**	273
Corporate costs	**(91)**	(94)
Underlying operating profit	**965**	1,163
Net financing charges	**(270)**	(269)
Tax	**(282)**	(157)
Non-controlling interests	**(3)**	(3)
Underlying profit attributable to shareholders	**410**	734
Non-trading items	**(1,795)**	(1,316)
Loss attributable to shareholders	**(1,385)**	(582)
	US¢	US¢
Underlying earnings per share	**18.56**	33.15

Underlying business performance is summarised in the above table, including the Group's operating profit from its associates and joint ventures. Given the significance of the contribution from the Group's joint ventures, this provides a clearer summary of the Group's performance during the year.

The Group's operating profit from the Prime Properties Investment segment was US$930 million, 5% lower than the previous year, primarily due to lower contributions from the Hong Kong Central office and retail portfolio, partially offset by higher contributions from the office portfolio in Singapore as well as the retail portfolio on the Chinese mainland. The two largest operating profit contributors within Prime Properties Investment are the Hong Kong Central portfolio (77%) and Singapore (15%).

In Hong Kong, operating profit was US$713 million, 7% lower than 2023. Office average net rent was down 5% compared to 2023 due to negative rental reversions, at HK$101 psf per month. On the retail front, lower contributions from LANDMARK were mainly due to planned tenant movements as the construction works progress as part of the Tomorrow's CENTRAL transformation. Average net retail rents were up 3% year-on-year.

In Singapore, there was a 5% increase in operating profit in 2024, primarily due to positive rent reversions driving an increase in average net rent. The portfolio continued to benefit from very low vacancy levels.

Overall contributions from the luxury retail portfolio on the Chinese mainland & Macau was broadly in line with the prior year. Contributions from WF CENTRAL in Beijing were higher driven by tenant mix optimisations, while contributions from ONE CENTRAL Macau were reduced due to planned mall renovations.

Operating profits from the build-to-sell business decreased by 54% from the previous year to US$126 million, mainly due to a US$351 million pre-tax non-cash provision recognised on certain assets on the Chinese mainland where the realisable sales price had fallen below the development cost (net of tax: US$314 million). Excluding provisions, contributions from the build-to-sell segment were 29% higher compared to 2023, primarily due to completions of large projects in Chongqing, Shanghai and Hangzhou. Outside of the Chinese mainland, total contributions from South Asia reduced slightly compared to 2023.

As the Group will no longer deploy capital into new build-to-sell opportunities as part of its strategic pivot, net investment in the segment is expected to decline as capital is recycled. As at 31 December 2024, the Group's net investment in the segment amounted to US$7.8 billion, 75% of which relates to assets on the Chinese mainland.

Net financing charges of US$270 million were comparable to the prior year as the decline in consolidated net debt was offset by an increase in the drawdown of joint venture level debt for build-to-sell projects in Singapore.

The Group's tax charge increased to US$282 million, with an effective tax rate of 41%, higher than the prior year due to the impact of the non-cash provisions in the Chinese mainland build-to-sell business (which are generally not tax-deductible) and a larger share of profits coming from the Chinese mainland where tax rates are higher than in Hong Kong. Excluding the impact of provisions, the effective tax rate in 2024 was 31%. The effective tax rate in 2023 had benefited from the release of a historical tax provision.

Non-Trading Items

In 2024, the Group had net non-cash, non-trading losses of US$1,795 million compared to US$1,316 million of losses in 2023. These arose principally on revaluations of the Group's investment properties by independent valuers (including its share of joint ventures) at 31 December each year.

The 2024 net revaluation loss is principally attributable to the Hong Kong office portfolio, due to lower open market rents for office buildings. This was partially offset by a valuation gain for the Hong Kong retail portfolio driven by expected rental uplifts resulting from the Tomorrow's CENTRAL investment. During the year, Hong Kong office floors occupied by the Group for its own use were reclassified from investment properties to fixed assets, with these spaces to be depreciated over the remaining life of the building and US$383 million reversal of cumulative gains on these reclassified properties. Excluding the impact of reclassification to fixed assets, the Central portfolio decreased in value by 5% in 2024, with a 31 December 2024 valuation of US$22.8 billion. The valuation of the remainder of the Investment Properties portfolio was stable.

Cash Flows

The Group's consolidated cash flows are summarised as follows:

	2024 US$m	2023 US$m
Operating activities		
Operating profit, excluding non-trading items	**584**	794
Net interest	**(181)**	(205)
Tax paid	**(147)**	(287)
Expenditure on build-to-sell projects	**(297)**	(466)
Sales proceeds from build-to-sell	**509**	990
Dividends received from joint ventures	**97**	135
Others	**106**	(259)
	671	702
Investing activities		
Major renovations capex	**(78)**	(85)
Repayments from associates and joint ventures	**259**	1,018
Investments in associates and joint ventures	**(17)**	(401)
Advances to associates and joint ventures	**(111)**	(378)
Disposal of subsidiaries and joint ventures	**29**	7
	82	161
Financing activities		
Dividends paid by the Company	**(478)**	(486)
Net repayment of borrowings	**(366)**	(448)
Shares repurchase	**–**	(83)
Repayments to associates and joint ventures	**(27)**	(57)
Advances from associates and joint ventures	**96)**	165
Others	**(3)**	(4)
	(778)	(913)
Net decrease in cash and cash equivalents	**(26)**	(50)
Cash and cash equivalents at 1 January	**1,112**	1,172
Effect of exchange rate changes	**(19)**	(10)
Cash and cash equivalents at 31 December	**1,067**	1,112

The Group's build-to-sell business comprises a mixture of subsidiary projects (recorded within operating activities) and joint-venture projects (recorded within investing and financing activities).

The net cash inflows from operating activities for the year were US$671 million, compared with a net cash inflows of US$702 million in the prior year. Operating profits were US$210 million lower in 2024 principally due to lower profits from wholly owned build-to-sell projects. Tax paid during the year reduced significantly compared to the prior year, with higher Chinese mainland project related taxes in 2023. Sales proceeds from build-to-sell projects, net of expenditure, reduced by US$312 million year-on-year due to a lower volume of both sales and unsold inventory. Net inflows in others relates primarily to net working capital changes.

Net cash inflows from investing activities were US$82 million in 2024, compared to net cash inflows of US$161 million in the prior year. Capital expenditure of US$78 million for major renovations principally relates to the Group's Central portfolio in Hong Kong. Repayments in the Group's joint venture projects totalled US$259 million, compared to US$1,018 million in the prior year, with 2023 benefiting from the external refinancing and repayment of a shareholder loan made to one of the Group's Singapore office assets. There was a reduced level of new investments to associates and joint ventures during the year.

Under financing activities, the Company paid dividends of US$478 million, being the 2023 final dividend of US¢16.00 per share and the 2024 interim dividend of US¢6.00 per share, unchanged compared to the prior year. The Group also had a net repayment of borrowings of US$366 million during the year.

Cash and cash equivalents were US$45 million lower at the end of 2024. Taken together with a decrease in borrowings, the Group's net debt at 31 December 2024 decreased to US$5,088 million, from US$5,371 million at the beginning of the year.

Year-end debt summary*

	2024 **US$m**	2023 US$m
US$ notes*	**2,092**	2,493
HK$ notes	**1,419**	1,371
HK$ bank loans	**612**	685
S$ notes	**218**	225
CNY notes#	**182**	187
CNY bank loans#	**301**	–
RMB bank loans	**987**	1,271
THB bank loans	**354**	335
Gross debt	**6,165**	6,567
Cash	**1,077**	1,196
Net debt	**5,088**	5,371

* Before currency swaps of US$ debt to HK$
# Chinese Yuan (Offshore)

Capital Management

The Group actively reviews and manages its capital structure to ensure optimal shareholder returns through a combination of profitability, cash flows, investing activities, dividends and balance sheet strength. In 2024, the Group announced a new strategy with a refreshed capital allocation framework. Up to US$10 billion of existing capital is to be recycled over the next 10-years, with up to 20% of these proceeds to be reinvested in the buy-back and cancellation of its own shares. The Group also aims to double dividends per share by 2035 and invest in new ultra-premium integrated mixed-use properties in Asia's key gateway cities. The Group's capital management policies are set out on page 74.

Capital Commitments

Outstanding capital commitments as of 31 December 2024 was US$1,156 million *(2023: US$814 million)*, including the Group's contributions to associates and joint venture companies of US$716 million *(2023: US$745 million)*. The largest commitments relate to the Group's 49% share of a joint-venture mixed-use project in Bangkok and renovations relating to the Group's Tomorrow's CENTRAL project in Hong Kong.

Share Buy-back

Shares acquired in 2024 and 2023 were nil and US$83 million respectively.

Dividends

The Board is recommending a final dividend of US¢17.00 per share for 2024, providing a total annual dividend of US¢23.00 per share, up 5% from the prior year. The final dividend will be payable on 14 May 2025, subject to approval at the Annual General Meeting to be held on 2 May 2025, to shareholders on the register of members at the close of business on 21 March 2025. No scrip alternative is being offered in respect of the dividend.

Treasury Policy

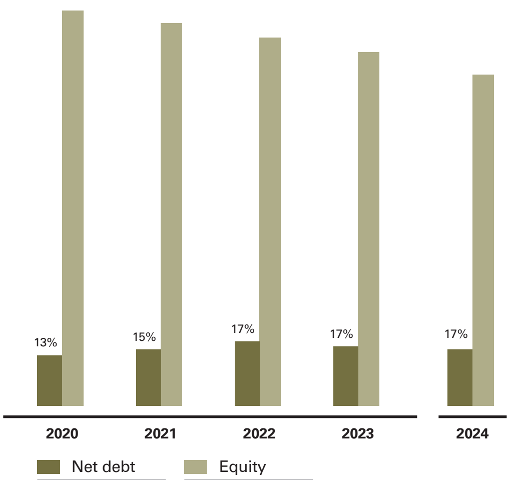
The Group manages its treasury activities within established risk management objectives and policies using a variety of techniques and instruments. The main objectives are to manage foreign exchange, interest rate and liquidity risks and to provide a degree of certainty in respect of costs. The investment of the Group's cash balances is managed so as to minimise risk while seeking to enhance yield. Appropriate credit guidelines are in place to manage counterparty credit risk.

When economically sensible to do so, borrowings are taken in local currencies to hedge foreign currency exposures on investments. A portion of borrowings is denominated in fixed rates. Adequate committed facilities headroom is maintained to facilitate the Group's capacity to pursue new investment opportunities and to provide some protection against market uncertainties. Overall, the Group's funding arrangements are designed to strike an appropriate balance between equity and debt from banks and capital markets, both short and long term, to give flexibility to develop the business.

The Group's Treasury operations are managed as cost centres and are not permitted to undertake speculative transactions unrelated to underlying financial exposures.

Funding

The Group is well financed with strong liquidity. Net debt at the end of the year decreased to US$5.1 billion from US$5.4 billion in 2023. Net gearing was 17%, unchanged from the end of 2023. Weighted average borrowing costs were 3.6%, compared to 3.9% in the prior year. Interest cover, calculated as the underlying operating profits, including the Group's share of associates and joint ventures' operating profits, divided by net financing charges including the Group's share of associates and joint ventures' net financing charges, was 3.6 times, compared to 4.3 times in 2023.

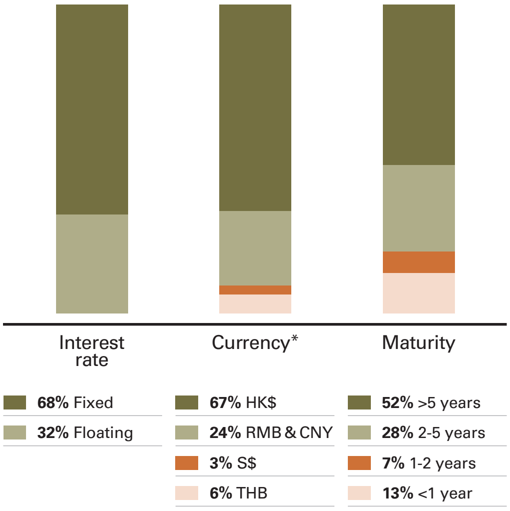


Net debt as a percentage of equity

Both Moody's and Standard & Poor's have maintained their credit ratings of Hongkong Land Holdings Limited at A3 and A respectively.

At 31 December 2024, the average tenor of the Group's debt was 6.3 years, unchanged from the end of 2023. On average, approximately 68% of the Group's borrowings were either fixed rate borrowings or covered by interest rate hedges with major credit worthy financial institutions and the remaining 32% were at floating rates. The majority of the Group's debt is denominated in Hong Kong dollars, of which 85% was at fixed rate.

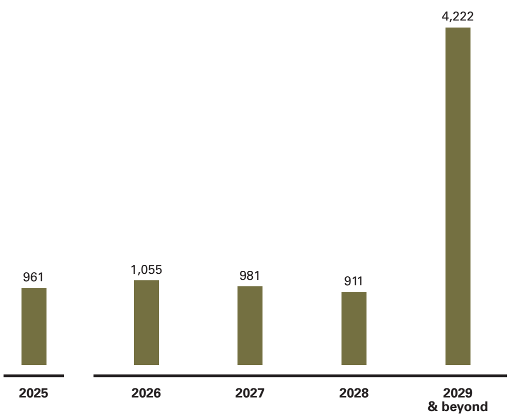
In December 2024, the Group completed a HK$12 billion (US$1.5 billion) committed bank facilities refinancing with an average tenor of 4.5 years.



Debt profile at 31 December 2024

* After currency swaps from US$ debt to HK$ debt

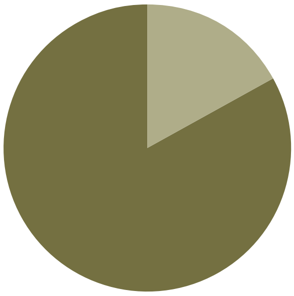
At 31 December 2024, the Group had total committed lines of approximately US$8.1 billion with a diversified range of maturity dates. Of these lines, 52% were sourced from banks with the remaining 48% from the capital markets. At the end of 2024, the Group had drawn US$6.2 billion of these lines leaving US$1.9 billion of committed, but unused, facilities. Adding the Group's year end cash balances, the Group had overall liquidity at 31 December 2024 of US$3.0 billion, down from US$4.0 billion at the end of 2023. This liquidity provides significant headroom to the Group.



Committed facility maturity at 31 December 2024 (US$m)

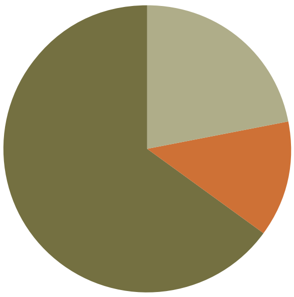
Gross Assets

The Group's gross assets, including its share of joint ventures, (excluding cash balances) is analysed below, by activity and by location.



83%	Prime Properties Investment
17%	Build-to-sell

Gross assets by activity



65%	Hong Kong
22%	Chinese mainland and Macau
13%	Southeast Asia

Gross assets by location

Principal Risks and Uncertainties

A review of the principal risks and uncertainties facing the Group is set out on pages 109 to 114.

Accounting Policies

The Directors continue to review the appropriateness of accounting policies adopted by the Group, including the latest developments in IFRS Accounting Standards. In 2024, there are no amendments which are effective and relevant to the Group that have a significant impact to the financial statements upon adoption.

Craig Beattie
Chief Financial Officer
7 March 2025

Sustainability

Overview

Since its founding in 1889, Hongkong Land's business has been built on the principles of excellence, integrity and partnership. As the global calls for climate action and improvement of environmental, social and governance (ESG) performance become increasingly urgent, Hongkong Land recognises that the real estate and construction sectors have significant roles to play in a global transition to a low carbon economy and is committed to continue engaging and collaborating with our stakeholders to advance sustainability agendas in the communities it serves.

The Group's continued growth and progress on delivering positive outcomes for our business and stakeholders is underpinned by its Sustainability Framework 2030 which highlight key focus areas that are linked to measurable targets. Putting this framework into practice requires the Group to strive for continuous improvement and further integration of ESG considerations into our operations across the region. The framework can be found on the Group's website at www.hkland.com/en/sustainability.

ESG Disclosure

The Group's climate-related financial disclosure is consistent with the requirements of the London Stock Exchange Listing Rules and all 11 Task Force on Climate-related Financial Disclosures (TCFD) recommendations and recommended disclosures. The disclosures in its Sustainability Report – Framework 2030 & Climate Action are made available on the same date as its Annual Report 2024. The Group's environmental and social-related performance data for the financial year ended 31 December 2024 is presented in its Sustainability Performance Report 2024. The reports are available at www.hkland.com/en/sustainability/sustainability-reports.

To facilitate the holistic evaluation of its climate-related activities, the Group publishes its TCFD disclosures separately from its Annual Report but alongside other information relevant to climate action including sustainability governance, decarbonisation targets and pathway, as well as results of climate risk assessments and mitigation measures.

Highlights in 2024

ESG Ratings

Over the past year, the Group was recognised by top ESG ratings organisations, especially on in-depth assessments which require active participation by companies.

The Group's latest ESG ratings as at 31 December 2024 are listed below.

- Global Real Estate Sustainability Benchmarks (GRESB) – the Group is proud to be named Global Sector Leader (Diversified Sector) for the Development benchmark – the highest score globally. We are the Global Listed Sector Leader (Diversified – Office/Retail) for the Standing Investment Benchmark.
- Dow Jones Sustainability Indices (DJSI) – the Group is a constituent of the Dow Jones Sustainability World Index for the first time, ranking among the top 6% of global performers in the sector. We are also a constituent of the Dow Jones Sustainability Asia Pacific Index and was included in the S&P Global Sustainability Yearbook for the third consecutive year.
- Sustainalytics – the Group has been recognised as a Regional ESG Top-rated Performer.

Decarbonisation

As part of Hongkong Land's commitment to accelerate its contributions on climate action, the Group announced in February 2022 its pledge to setting Science-Based Targets that are aligned with the 1.5°C pathway. We are leading the net zero transition by setting ambitious emission reduction targets. The targets, which were validated by the Science-Based Target initiative in June 2022, has resulted in the Group committing to a 46.2% reduction of Scope 1 and 2 greenhouse gas (GHG) emissions by 2030 from 2019 levels and a 22% reduction in carbon intensity for Scope 3 emissions over the same period.

To reduce Scope 1 and 2 GHG emissions, the Group continues to reinvest in and upgrade its operating portfolios across the region by prioritising fixed asset replacements, as well as the deployment or enhancement of artificial intelligence solutions to drive energy efficiency. We became the first developer to attain Triple-Platinum certification, including BEAM Plus, LEED and WELL, for its entire Hong Kong commercial portfolio which is a testament to our ongoing efforts to upgrade and retrofit across portfolios.

To address Scope 3 emissions from tenants, the Group continues to engage with tenants via its Tenant Sustainability Partnership Programme at its Central Portfolio to foster closer collaboration, focusing in particular on providing support to them in achieving green fit-outs and operations. In the programme's first year, tenants occupying 23% of the Central Portfolio's total office lettable area participated, partnering with us to make their offices more sustainable, co-organising events and taking part in social initiatives that benefitted the community.

During the year, Hongkong Land continues to increase granularity of its bespoke embodied carbon assessment tools and further engagement along construction supply chains. These tools adopt a supplier-based approach in estimating emissions based on the types of building materials and relevant amounts procured for a specific project. Key enhancements include updating emission factor databases and developing the Environmental Product Declarations database across regions.

Green Buildings

Hongkong Land has a long history of reinvesting in existing assets and undertaking a robust green building certification programme. At the end of 2024, 96% of our leasing portfolio by floor area, including those held in joint ventures, achieved green building certification. All of our buildings in Hong Kong and Singapore, comprising over half of our leasing portfolio, retained the highest possible ratings of BEAM Plus Platinum, Green Mark Platinum, and/or LEED Platinum certifications respectively.

Tomorrow's CENTRAL, as a large-scale transformation project of LANDMARK, conducted a comprehensive pre-furbishment audit to minimise construction waste. We set a waste diversion rate of 75% by weight and identified opportunities for reclaiming, reusing and recycling materials. We set targets for sustainable procurement and the extensive use of low carbon materials, for example adoption of 100% green concrete, rebar and timber from sustainable sources.

Corporate Social Responsibility

The Hongkong Land HOME FUND, which was established to focus on creating initiatives benefiting younger generations and our aspiration to foster a more inclusive society, celebrated its fourth anniversary in 2024. The fund has now invested over HK$110 million in community projects, with over 500,000 people across the region.

Key milestones achieved during the past year include increasing the number of NGO partnerships by over 100 across the region and the continued growth of the HERE2HELP volunteering team which contributed over 22,000 hours to serve more than 121,000 people.

During the year, the Group also received a number of prestigious awards in recognition of its efforts in making positive impact on the community. We are proud to receive the Outstanding Corporate Award and Top 10 Volunteer Hours Award (100-999 employees) in Hong Kong Volunteer Award.

Directors' Profiles

John Witt* Chairman

John Witt rejoined the Board in June 2020, having previously served as the Chief Financial Officer between 2010 and 2016. He has been Chairman since October 2024. He has been with the Jardine Matheson group since 1993, holding a number of senior positions. He became chief financial officer of Mandarin Oriental in 2000. From 2016 to 2020, he was group finance director of Jardine Matheson. He was also managing director of Mandarin Oriental and chairman of Astra's executive committee until July 2024.

John is chairman of DFI Retail, Jardine Cycle & Carriage, Jardine Matheson Limited and group managing director of Jardine Matheson. He is also a commissioner of Astra.

John is a Chartered Accountant and has an MBA from INSEAD.

Michael Smith* Chief Executive

Michael Smith joined Hongkong Land as Chief Executive in April 2024. Michael has extensive experience in international real estate and finance with a proven track record in investment and capital allocation. Prior to joining Hongkong Land, Michael served as Regional CEO of Europe and USA for Mapletree Investments. Under Michael's leadership, the Europe and USA business grew to over a third of the group's US$55 billion of assets under management. Michael's 30-year career includes senior positions in the investment banking sector where he was a partner at Goldman Sachs, leading the bank's Southeast Asia investment banking, as well as Asia Pacific (ex-Japan) real estate business. As one of the pioneers of Asia's REIT industry, Michael played an instrumental role in numerous REIT listings including the Link REIT in HK, all four Mapletree REITs in Singapore and advised numerous other REITs and real estate companies across Asia Pacific.

Craig Beattie* Chief Financial Officer

Craig Beattie joined the Board as Chief Financial Officer in 2021. He has previously held a number of senior finance positions in the Jardine Matheson group since joining from EY in the UK in 2006, including the chief financial officer of Mandarin Oriental from 2018 to 2021 and group treasurer of Jardine Matheson from 2016 to 2018. He is a Chartered Accountant.

Stuart Grant

Stuart Grant joined the Board in March 2023. He is a member of the Audit Committee of the Company. He is the CEO of ARC Group, a co-founder of CoreLife Investors and an adviser to Brookfield's Real Estate Group, and has more than 25 years of real estate experience. Stuart started his real estate investment career at Blackstone in London in 2000 and held a variety of senior executive positions, including as a senior managing director and a member of the global investment committee. He played a key role in building Blackstone's real estate business in the Asia Pacific region. Stuart returned to the United Kingdom in 2018 as a managing director of Stanhope Plc, one of London's leading property developers. Stuart holds a Master of Real Estate Finance and Investment from the New York University and a Bachelor of Science Degree from the University of St Andrews.

* Executive Director

Lily Jencks

Lily Jencks joined the Board in July 2022. She is an architectural and landscape designer, with a master's degree from the University of Pennsylvania. She ran the design company JencksSquared and architectural and landscape practice Lily Jencks Studio. She is currently the founder and director of the Jencks Foundation.

Adam Keswick

Adam Keswick joined the Board in 2012. Having joined Jardine Matheson in 2001, he was appointed to the Jardine Matheson board in 2007 and was deputy managing director from 2012 to 2016, and became chairman of Matheson & Co. in 2016. Adam is a director of Mandarin Oriental. He is also a director of Ferrari NV and Yabuli China Entrepreneurs Forum.

Lincoln K.K. Leong

Lincoln K.K. Leong joined the Board in March 2022. He is the chairman of the Audit Committee of the Company. Lincoln is an independent non-executive director of Standard Chartered PLC, Standard Chartered Bank (Hong Kong) Limited and China Resources Land Limited. He was previously the chief executive officer of MTR Corporation Limited, a non-executive director of Jardine Strategic Holdings Limited and Mandarin Oriental International Limited, and an independent non-executive director of Link Asset Management Limited, as manager of Link Real Estate Investment Trust, and SUNeVision Holdings Ltd. Lincoln is a Chartered Accountant and has extensive experience in the accountancy and investment banking industries.

Ming Mei

Ming Mei joined the Board in October 2024. He is the co-founder and CEO of GLP, a leading global business builder, owner, developer and operator of logistics real estate, data centres, renewable energy and related technologies. Under his leadership and vision, GLP revolutionised the modern logistics industry by taking an innovative and entrepreneurial approach to growth and value creation and has since expanded into adjacent sectors and new markets. Ming also co-founded Eastern Bell Venture Capital and is an investor and board member of Value Retail China, a company specialising in the development and operation of luxury outlet shopping villages. Ming graduated from the Kellogg School of Management at Northwestern University and the School of Business and Management at the Hong Kong University of Science and Technology with a Master of Business Administration. He holds a Bachelor of Science in Finance from Indiana University School of Business.

Consolidated Profit and Loss Account

for the year ended 31 December 2024

	Note	2024 Underlying business performance US$m	2024 Non-trading items US$m	2024 Total US$m	2023 Underlying business performance US$m	2023 Non-trading items US$m	2023 Total US$m
Revenue	3	**2,002.1**	**–**	**2,002.1**	1,844.3	–	1,844.3
Net operating costs	4	**(1,417.9)**	**(8.3)**	**(1,426.2)**	(1,050.0)	16.6	(1,033.4)
Change in fair value of investment properties	9	**–**	**(1,887.6)**	**(1,887.6)**	–	(1,323.5)	(1,323.5)
Operating (loss)/profit		**584.2**	**(1,895.9)**	**(1,311.7)**	794.3	(1,306.9)	(512.6)
Net financing charges	5						
– financing charges		**(245.0)**	**–**	**(245.0)**	(265.9)	–	(265.9)
– financing income		**78.8**	**–**	**78.8**	81.5	–	81.5
		(166.2)	**–**	**(166.2)**	(184.4)	–	(184.4)
Share of results of associates and joint ventures	6						
– before change in fair value of investment properties		**115.0**	**–**	**115.0**	234.7	–	234.7
– change in fair value of investment properties	9	**–**	**139.2**	**139.2**	–	18.0	18.0
		115.0	**139.2**	**254.2**	234.7	18.0	252.7
(Loss)/profit before tax		**533.0**	**(1,756.7)**	**(1,223.7)**	844.6	(1,288.9)	(444.3)
Tax	7	**(120.7)**	**(31.4)**	**(152.1)**	(107.2)	(25.6)	(132.8)
(Loss)/profit after tax		**412.3**	**(1,788.1)**	**(1,375.8)**	737.4	(1,314.5)	(577.1)
Attributable to:							
Shareholders of the Company		**409.6**	**(1,794.5)**	**(1,384.9)**	734.2	(1,316.5)	(582.3)
Non-controlling interests		**2.7**	**6.4**	**9.1**	3.2	2.0	5.2
		412.3	**(1,788.1)**	**(1,375.8)**	737.4	(1,314.5)	(577.1)

	Note	2024 Underlying business performance US¢	2024 Total US¢	2023 Underlying business performance US¢	2023 Total US¢
(Loss)/earnings per share	8				
– basic		**18.56**	**(62.76)**	33.15	(26.29)
– diluted		**18.55**	**(62.76)**	33.15	(26.29)

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

	Note	2024 US$m	2023 US$m
Loss for the year		**(1,375.8)**	(577.1)
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans		**0.3**	0.7
Tax on items that will not be reclassified	7	**–**	(0.1)
		0.3	0.6
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
– net gain/(loss) arising during the year		**75.2**	(82.2)
– transfer to profit and loss		**3.2**	0.6
		78.4	(81.6)
Cash flow hedges			
– net gain/(loss) arising during the year		**12.2**	(53.1)
– transfer to profit and loss		**(3.2)**	(2.2)
		9.0	(55.3)
Tax relating to items that may be reclassified	7	**(1.5)**	9.1
Share of other comprehensive expense of associates and joint ventures	12	**(246.3)**	(59.1)
		(160.4)	(186.9)
Other comprehensive expense for the year, net of tax		**(160.1)**	(186.3)
Total comprehensive expense for the year		**(1,535.9)**	(763.4)
Attributable to:			
Shareholders of the Company		**(1,542.4)**	(767.4)
Non-controlling interests		**6.5**	4.0
		(1,535.9)	(763.4)

Consolidated Balance Sheet

at 31 December 2024

	Note	2024 US$m	2023 US$m
Net operating assets			
Fixed assets	10	**203.2**	99.7
Right-of-use assets	10	**104.4**	12.1
Investment properties	11	**24,759.9**	26,687.2
Associates and joint ventures	12	**10,046.2**	10,585.2
Non-current debtors	13	**11.5**	14.2
Deferred tax assets	14	**53.5**	113.3
Pension assets		**0.9**	1.0
Non-current assets		**35,179.6**	37,512.7
Properties for sale	15	**2,359.7**	2,926.1
Current debtors	13	**349.0**	374.1
Current tax assets		**36.4**	60.4
Bank balances	16	**1,073.4**	1,195.6
Assets classified as held for sale	17	**54.3**	–
Current assets		**3,872.8**	4,556.2
Current creditors	18	**(1,642.4)**	(2,155.1)
Current borrowings	19	**(823.7)**	(781.6)
Current tax liabilities		**(110.4)**	(189.8)
Current liabilities		**(2,576.5)**	(3,126.5)
Net current assets		**1,296.3**	1,429.7
Long-term borrowings	19	**(5,341.6)**	(5,785.3)
Deferred tax liabilities	14	**(249.9)**	(249.1)
Pension liabilities		**–**	(0.1)
Non-current creditors	18	**(915.9)**	(920.6)
		29,968.5	31,987.3
Total equity			
Share capital	20	**220.7**	220.7
Revenue and other reserves		**29,719.4**	31,744.7
Shareholders' funds		**29,940.1**	31,965.4
Non-controlling interests		**28.4**	21.9
		29,968.5	31,987.3

Approved by the Board of Directors

Michael Smith
Craig Beattie
Directors
7 March 2025

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Note	Share capital US$m	Capital reserves US$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
2024									
At 1 January		**220.7**	**–**	**32,299.5**	**(57.7)**	**(497.1)**	**31,965.4**	**21.9**	**31,987.3**
Total comprehensive expense		**–**	**–**	**(1,384.6)**	**(0.1)**	**(157.7)**	**(1,542.4)**	**6.5**	**(1,535.9)**
Dividends paid by the Company	22	**–**	**–**	**(485.5)**	**–**	**–**	**(485.5)**	**–**	**(485.5)**
Share-based incentives	21	**–**	**1.4**	**–**	**–**	**–**	**1.4**	**–**	**1.4**
Unclaimed dividends forfeited		**–**	**–**	**1.2**	**–**	**–**	**1.2**	**–**	**1.2**
At 31 December		**220.7**	**1.4**	**30,430.6**	**(57.8)**	**(654.8)**	**29,940.1**	**28.4**	**29,968.5**
2023									
At 1 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	22	–	–	(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 31 December		220.7	–	32,299.5	(57.7)	(497.1)	31,965.4	21.9	31,987.3

Consolidated Cash Flow Statement

for the year ended 31 December 2024

	Note	2024 US$m	2023 US$m
Operating activities			
Operating loss		**(1,311.7)**	(512.6)
Depreciation	*4*	**12.7**	16.5
Change in fair value of investment properties	*11*	**1,887.6**	1,323.5
Gain on acquisition of subsidiaries	*4*	**–**	(31.6)
Net gain on disposal of subsidiaries and joint ventures	*4*	**(9.6)**	(15.9)
Loss on disposal of an investment property	*4*	**10.3**	–
Exchange reserve loss realised on distribution	*4*	**7.6**	–
Loss on measurement of the disposal group	*4*	**13.5**	–
Decrease in properties for sale		**752.1**	187.5
Decrease in debtors		**86.7**	83.0
(Decrease)/increase in creditors		**(547.9)**	8.2
Interest received		**65.3**	46.4
Interest and other financing charges paid		**(245.8)**	(251.2)
Tax paid		**(147.3)**	(287.3)
Dividends from associates and joint ventures		**97.1**	135.1
Cash flows from operating activities		**670.6**	701.6
Investing activities			
Major renovations expenditure		**(78.5)**	(85.3)
Repayments from associates and joint ventures	*23 (a)*	**259.2**	1,018.3
Investments in associates and joint ventures	*23 (a)*	**(16.9)**	(401.4)
Advances to associates and joint ventures	*23 (a)*	**(111.5)**	(377.8)
Disposal of subsidiaries		**–**	29.3
Disposal of joint ventures		**–**	8.5
Acquisition of subsidiaries		**13.8**	(30.9)
Disposal of an investment property		**15.5**	–
Cash flows from investing activities		**81.6**	160.7
Financing activities			
Drawdown of borrowings	*19*	**2,371.0**	2,121.9
Repayment of borrowings	*19*	**(2,737.3)**	(2,569.5)
Repayments to associates and joint ventures	*23 (a)*	**(26.6)**	(56.5)
Advances from associates and joint ventures	*23 (a)*	**95.5**	165.0
Principal elements of lease payments		**(2.7)**	(3.4)
Repurchase of shares		**–**	(83.2)
Dividends paid by the Company		**(478.2)**	(486.2)
Dividends paid to non-controlling shareholders		**–**	(0.6)
Cash flows from financing activities		**(778.3)**	(912.5)
Net cash outflow		**(26.1)**	(50.2)
Cash and cash equivalents at 1 January		**1,112.2**	1,171.5
Effect of exchange rate changes		**(18.9)**	(9.1)
Cash and cash equivalents at 31 December	*23 (b)*	**1,067.2**	1,112.2

Notes to the Financial Statements

General Information

Hongkong Land Holdings Limited (the Company) is incorporated in Bermuda and has a primary listing in the equity share (transition) category of the London Stock Exchange, with secondary listings in Bermuda and Singapore. The address of the registered office is given on pages 116 to 117. The principal activities of the Company and its subsidiaries, and the nature of the Group's operation are set out on pages 60 to 63 and Note 29 of the financial statements.

1 Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards), including International Accounting Standards (IAS) and Interpretations as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a going concern basis and under the historical cost convention except as disclosed in the accounting policies.

Details of the Group's material accounting policies are included in Note 30.

There are no amendments which are effective in 2024 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 (refer Note 31).

The principal operating subsidiaries, associates and joint ventures have different functional currencies in line with the economic environments of the locations in which they operate. The functional currency of the Company is United States dollars. The consolidated financial statements are presented in United States dollars.

The Group's reportable segments are set out in Note 2 and are described on pages 30 to 32.

2 Segmental Information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive directors of the Company for the purpose of resource allocation and performance assessment. The Group comprises two operating segments which have been renamed as 'Prime Properties Investment' and 'Build-to-sell' (formerly Investment Properties and Development Properties) to align with the new strategic direction. No operating segments have been aggregated to form the reportable segments. Set out below is an analysis of the Group's underlying profit and total equity by reportable segment.

	Prime Properties Investment US$m	Build-to-sell US$m	Corporate US$m	Total US$m
2024				
Revenue	**1,026.0**	**976.1**	**–**	**2,002.1**
Net operating costs	**(247.7)**	**(1,078.7)**	**(91.5)**	**(1,417.9)**
Share of operating profit of associates and joint ventures	**152.1**	**228.4**	**–**	**380.5**
Underlying operating profit	**930.4**	**125.8**	**(91.5)**	**964.7**
Net financing charges				
– subsidiaries				**(166.2)**
– share of associates and joint ventures				**(104.1)**
				(270.3)
Tax				
– subsidiaries				**(120.7)**
– share of associates and joint ventures				**(161.5)**
				(282.2)
Non-controlling interests				
– subsidiaries				**(2.7)**
– share of associates and joint ventures				**0.1**
				(2.6)
Underlying profit attributable to shareholders				**409.6**
Non-trading items				
– change in fair value of investment properties, net of tax				**(1,786.2)**
– others				**(8.3)**
Loss attributable to shareholders				**(1,384.9)**

2 Segmental Information continued

	Prime Properties Investment US$m	Build-to-sell US$m	Corporate US$m	Total US$m
2023				
Revenue	1,082.5	761.8	–	1,844.3
Net operating costs	(248.8)	(707.5)	(93.7)	(1,050.0)
Share of operating profit of associates and joint ventures	150.4	218.2	–	368.6
Underlying operating profit	984.1	272.5	(93.7)	1,162.9
Net financing charges				
– subsidiaries				(184.4)
– share of associates and joint ventures				(84.1)
				(268.5)
Tax				
– subsidiaries				(107.2)
– share of associates and joint ventures				(49.8)
				(157.0)
Non-controlling interests				
– subsidiaries				(3.2)
Underlying profit attributable to shareholders				734.2
Non-trading items				
– change in fair value of investment properties, net of tax				(1,333.1)
– others				16.6
Loss attributable to shareholders				(582.3)

	Revenue		**Underlying operating profit**		**Underlying profit attributable to shareholders**	
	2024 US$m	2023 US$m	**2024 US$m**	2023 US$m	**2024 US$m**	2023 US$m
By geographical location						
Hong Kong and Macau	**898.8**	960.1	**739.9**	788.1	**739.9**	788.1
Chinese mainland	**1,032.1**	806.6	**73.4**	206.8	**67.4**	201.1
Southeast Asia and others	**71.2**	77.6	**242.9**	261.7	**243.1**	260.8
Corporate, net financing charges and tax	**–**	–	**(91.5)**	(93.7)	**(640.8)**	(515.8)
	2,002.1	1,844.3	**964.7**	1,162.9	**409.6**	734.2

2 Segmental Information continued

	Segment assets					
	Investment Properties US$m	Properties for sale US$m	Others US$m	Segment liabilities US$m	Unallocated assets and liabilities US$m	Total assets and liabilities US$m
By business						
2024						
Prime Properties Investment	**30,779.3**	**–**	**563.8**	**(670.4)**	**–**	**30,672.7**
Build-to-sell	**–**	**8,775.0**	**666.6**	**(2,058.0)**	**–**	**7,383.6**
Unallocated assets and liabilities	**–**	**–**	**–**	**–**	**(8,087.8)**	**(8,087.8)**
	30,779.3	**8,775.0**	**1,230.4**	**(2,728.4)**	**(8,087.8)**	**29,968.5**
2023						
Prime Properties Investment	32,566.6	–	470.4	(707.1)	–	32,329.9
Build-to-sell	–	9,940.9	587.6	(2,877.4)	–	7,651.1
Unallocated assets and liabilities	–	–	–	–	(7,993.7)	(7,993.7)
	32,566.6	9,940.9	1,058.0	(3,584.5)	(7,993.7)	31,987.3
By geographical location						
2024						
Hong Kong and Macau	**23,591.5**	**221.9**	**280.5**	**(436.9)**	**–**	**23,657.0**
Chinese mainland	**2,536.7**	**6,630.7**	**513.9**	**(1,887.4)**	**–**	**7,793.9**
Southeast Asia and others	**4,651.1**	**1,922.4**	**436.0**	**(404.1)**	**–**	**6,605.4**
Unallocated assets and liabilities	**–**	**–**	**–**	**–**	**(8,087.8)**	**(8,087.8)**
	30,779.3	**8,775.0**	**1,230.4**	**(2,728.4)**	**(8,087.8)**	**29,968.5**
2023						
Hong Kong and Macau	25,520.3	210.1	159.8	(463.6)	–	25,426.6
Chinese mainland	2,382.5	8,138.6	495.3	(2,721.4)	–	8,295.0
Southeast Asia and others	4,663.8	1,592.2	402.9	(399.5)	–	6,259.4
Unallocated assets and liabilities	–	–	–	–	(7,993.7)	(7,993.7)
	32,566.6	9,940.9	1,058.0	(3,584.5)	(7,993.7)	31,987.3

Properties for sale include contract assets and cost to fulfil contracts. Unallocated assets and liabilities include tax assets and liabilities, bank balances and borrowings.

3 Revenue

	2024 US$m	2023 US$m
Rental income	**887.6**	934.7
Service income and others		
– recognised at a point in time	**35.3**	33.7
– recognised over time	**177.4**	175.5
	212.7	209.2
Sales of properties		
– recognised at a point in time	**881.0**	671.7
– recognised over time	**20.8**	28.7
	901.8	700.4
	2,002.1	1,844.3

Total variable rents included in rental income amounted to US$36.2 million *(2023: US$41.0 million)*.

The maturity analysis of lease payments, showing the undiscounted lease payments to be received over the remainder of the contractual lease term after the balance sheet date including the estimated impact on lease payments from contractual rent reviews are as follows:

	2024 US$m	2023 US$m
Within one year	**715.2**	768.0
Between one and two years	**569.8**	584.8
Between two and three years	**429.8**	440.3
Between three and four years	**259.7**	315.4
Between four and five years	**186.4**	176.5
Beyond five years	**308.3**	321.4
	2,469.2	2,606.4

Generally the Group's operating leases are for terms of three years or more.

3 Revenue continued

Contract balances

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed, and are transferred to receivables when the rights become unconditional which usually occurs when the customers are billed.

Costs to fulfil contracts includes costs recognised to fulfil future performance obligations on existing contracts that have not yet been satisfied. Costs to obtain contracts include costs such as sale commissions and stamp duty paid, as a result of obtaining contracts. The Group has capitalised these costs which are recognised in the profit and loss when the related revenue is recognised.

Contract liabilities primarily relate to the advance consideration received from customers relating to properties for sale.

Contract assets and contract liabilities relating to properties for sale are further analysed as follows:

	2024 **US$m**	2023 US$m
Contract assets (see Note 13)	**10.7**	10.4
Contract liabilities (see Note 18)	**(126.1)**	(550.2)

At 31 December 2024, costs to fulfil contracts and costs to obtain contracts amounted to US$4.7 million *(2023: US$4.4 million)* and US$1.9 million *(2023: US$14.6 million)*, and US$16.4 million *(2023: US$22.4 million)* and US$13.1 million *(2023: US$0.8 million)* have been recognised in profit and loss during the year respectively.

Revenue recognised in relation to contract liabilities

Revenue recognised in the current year relating to carried forward contract liabilities:

	2024 **US$m**	2023 US$m
Properties for sale	**540.0**	384.0

Revenue expected to be recognised on unsatisfied contracts with customers

The timing of revenue to be recognised on unsatisfied performance obligations relating to properties for sale at 31 December 2024:

	2024 **US$m**	2023 US$m
Within one year	**218.7**	701.4
Between one and two years	**5.2**	60.0
	223.9	761.4

4 Net Operating Costs

	2024 US$m	2023 US$m
Cost of sales	(1,265.4)	(913.6)
Other income	70.0	54.3
Administrative expenses	(209.0)	(221.6)
Gain on acquisition of subsidiaries	–	31.6
Net gain on disposal of subsidiaries and joint ventures	9.6	15.9
Loss on disposal of an investment property	(10.3)	–
Loss on measurement of the disposal group	(13.5)	–
Exchange reserve loss realised on distribution	(7.6)	–
	(1,426.2)	(1,033.4)
The following charges are included in net operating costs:		
Cost of properties for sale recognised as expense	(991.4)	(657.0)
Operating expenses arising from investment properties	(213.3)	(212.7)
Depreciation of fixed assets	(10.1)	(13.1)
Depreciation of right-of-use assets	(2.6)	(3.4)
Employee benefit expense		
– salaries and benefits in kind	(216.9)	(221.2)
– defined contribution pension plans	(4.4)	(5.5)
– defined benefit pension plans	(1.3)	(1.2)
	(222.6)	(227.9)
Auditors' remuneration		
– audit	(2.9)	(2.7)
– non-audit services	(0.4)	(0.5)
	(3.3)	(3.2)

The number of employees at 31 December 2024 was 3,063 *(2023: 2,991)*.

Cost of sales included a US$146.9 million provision for Chinese mainland properties for sale *(2023: US$29.5 million)* arising from the deterioration in market conditions that resulted in projected sales prices being lower than development costs. A corresponding deferred tax credit of US$10.8 million *(2023: US$5.0 million)* was recognised.

5 Net Financing Charges

	2024 US$m	2023 US$m
Interest expense		
– bank loans and overdrafts	**(93.6)**	(109.9)
– other borrowings	**(139.1)**	(145.7)
Total interest expense	**(232.7)**	(255.6)
Interest capitalised	**6.7**	12.3
	(226.0)	(243.3)
Commitment and other fees and exchange differences	**(19.0)**	(22.6)
Financing charges	**(245.0)**	(265.9)
Financing income	**78.8**	81.5
	(166.2)	(184.4)

Financing charges and financing income are stated after taking into account hedging gains or losses.

6 Share of Results of Associates and Joint Ventures

	2024 US$m	2023 US$m
By business		
Prime Properties Investment	**84.3**	82.5
Build-to-sell	**30.7**	152.2
Underlying business performance	**115.0**	234.7
Non-trading items:		
Change in fair value of investment properties	**139.2**	18.0
	254.2	252.7

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

The Group's share of revenue of associates and joint ventures was US$1,907.9 million *(2023: US$1,747.7 million)*. The build-to-sell business included a US$178.2 million net provision after including a deferred tax credit *(2023: US$65.7 million)*. This arose due to the deterioration in market conditions that resulted in projected sales prices being lower than development costs. In 2023, the net profit also included a net gain of US$50.4 million arising from acquisitions.

7 Tax

Tax charged to profit and loss is analysed as follows:

	2024 US$m	2023 US$m
Current tax	**(93.4)**	(155.1)
Deferred tax		
– changes in fair value of investment properties	**(25.8)**	(15.2)
– other temporary differences	**(32.9)**	37.5
	(58.7)	22.3
	(152.1)	(132.8)
Reconciliation between tax expense and tax at applicable tax rate:		
Tax at applicable tax rate	**220.9**	102.4
Change in fair value of investment properties not deductible in determining taxable profit	**(317.2)**	(236.8)
Income not subject to tax	**18.6**	24.4
Expenses not deductible in determining taxable profit	**(22.4)**	(25.1)
Withholding tax	**(9.2)**	(0.8)
Land appreciation tax in Chinese mainland	**(5.7)**	3.1
Tax losses arising in the year not recognised	**(11.7)**	(3.8)
Over provision in prior years	**10.1**	3.6
Temporary differences not recognised	**(19.6)**	0.8
Deferred tax assets written off	**(17.0)**	(1.8)
Others	**1.1**	1.2
	(152.1)	(132.8)
Tax relating to components of other comprehensive income is analysed as follows:		
Remeasurements of defined benefit plans	**–**	(0.1)
Cash flow hedges	**(1.5)**	9.1
	(1.5)	9.0

The applicable tax rate for the year of 14.9% *(2023: 14.7%)* represents the weighted average of the rates of taxation prevailing in the territories in which the Group operates.

Share of tax charge of associates and joint ventures of US$168.4 million *(2023: US$51.7 million)* is included in share of results of associates and joint ventures.

The Group is within the scope of the OECD Pillar Two model rules, and has applied the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes from 1 January 2023.

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Group operates. The legislation has become effective for the Group's financial year ended 31 December 2024. 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.

The assessment of the potential exposure to Pillar Two income taxes is based on the latest financial information for the year ended 31 December 2024 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 income tax expense related to Pillar Two income taxes in the relevant jurisdiction is assessed to be immaterial.

8 Earnings per Share

Basic earnings per share are calculated on loss attributable to shareholders of US$1,384.9 million *(2023: US$582.3 million)* and on the weighted average number of 2,206.6 million *(2023: 2,215.1 million)* shares in issue during the year.

The dilutive potential ordinary shares were not included in the calculation of diluted earnings per share as their inclusion would be antidilutive. Accordingly, diluted earnings per share were the same as basic earnings per share *(2023: same)*.

Additional basic and diluted earnings per share are calculated based on underlying profit attributable to shareholders. A reconciliation of earnings is set out below:

	2024			2023		
		Basic earnings per share	**Diluted earnings per share**		Basic earnings per share	Diluted earnings per share
	US$m	**US¢**	**US¢**	US$m	US¢	US¢
Underlying profit attributable to shareholders	**409.6**	**18.56**	**18.55**	734.2	33.15	33.15
Non-trading items (see Note 9)	**(1,794.5)**			(1,316.5)		
Loss attributable to shareholders	**(1,384.9)**	**(62.76)**	**(62.76)**	(582.3)	(26.29)	(26.29)

9 Non-trading Items

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

	2024	2023
	US$m	US$m
Change in fair value of investment properties	**(1,887.6)**	(1,323.5)
Tax on change in fair value of investment properties	**(31.4)**	(25.6)
Gain on disposal of subsidiaries	**–**	16.6
Loss on disposal of an investment property	**(10.3)**	–
Gain on disposal of a joint venture	**9.6**	–
Exchange reserve loss realised on distribution	**(7.6)**	–
Share of results of associates and joint ventures		
– change in fair value of investment properties	**146.1**	19.9
– tax on change in fair value of investment properties	**(6.9)**	(1.9)
	139.2	18.0
Non-controlling interests	**(6.4)**	(2.0)
	(1,794.5)	(1,316.5)

10 Fixed Assets and Right-of-use Assets

	Fixed Assets			Right-of-use Assets		
	Leasehold properties US$m	Furniture, equipment and others US$m	Total US$m	Leasehold properties US$m	Furniture, equipment and others US$m	Total US$m
2024						
Cost	**95.0**	**69.7**	**164.7**	**6.5**	**12.6**	**19.1**
Depreciation	**(16.3)**	**(48.7)**	**(65.0)**	**(1.0)**	**(6.0)**	**(7.0)**
Net book value at 1 January	**78.7**	**21.0**	**99.7**	**5.5**	**6.6**	**12.1**
Exchange differences	**(1.8)**	**(0.3)**	**(2.1)**	**(0.2)**	**(0.3)**	**(0.5)**
Additions	**–**	**4.4**	**4.4**	**–**	**1.4**	**1.4**
Disposals	**–**	**(0.1)**	**(0.1)**	**–**	**(0.5)**	**(0.5)**
Transfer from fixed assets to right-of-use assets	**(0.3)**	**–**	**(0.3)**	**0.3**	**–**	**0.3**
Transfer from investment properties (see Note 11)	**111.7**	**–**	**111.7**	**94.2**	**–**	**94.2**
Depreciation	**(2.7)**	**(7.4)**	**(10.1)**	**(0.2)**	**(2.4)**	**(2.6)**
Net book value at 31 December	**185.6**	**17.6**	**203.2**	**99.6**	**4.8**	**104.4**
Cost	**361.7**	**73.1**	**434.8**	**108.7**	**12.9**	**121.6**
Depreciation	**(176.1)**	**(55.5)**	**(231.6)**	**(9.1)**	**(8.1)**	**(17.2)**
	185.6	**17.6**	**203.2**	**99.6**	**4.8**	**104.4**
2023						
Cost	95.8	73.2	169.0	6.6	18.2	24.8
Depreciation	(13.9)	(43.3)	(57.2)	(0.7)	(11.1)	(11.8)
Net book value at 1 January	81.9	29.9	111.8	5.9	7.1	13.0
Exchange differences	(1.5)	(0.1)	(1.6)	(0.1)	(0.1)	(0.2)
Additions	1.0	2.2	3.2	–	5.8	5.8
Disposals	–	(0.6)	(0.6)	–	(3.1)	(3.1)
Depreciation	(2.7)	(10.4)	(13.1)	(0.3)	(3.1)	(3.4)
Net book value at 31 December	78.7	21.0	99.7	5.5	6.6	12.1
Cost	95.0	69.7	164.7	6.5	12.6	19.1
Depreciation	(16.3)	(48.7)	(65.0)	(1.0)	(6.0)	(7.0)
	78.7	21.0	99.7	5.5	6.6	12.1

During the year, space occupied in the Group's Hong Kong Central portfolio for own or alternative use (including corporate offices and Landmark Mandarin Oriental Hotel) were reclassified to fixed assets and right-of-use assets (see Note 11) which comprised cost of US$269.0 million and US$102.2 million and accumulated depreciation of US$157.3 million and US$8.0 million respectively.

11 Investment Properties

	Completed commercial properties (Note a) US$m	Under development commercial properties (Note a) US$m	Completed residential properties (Note b) US$m	Total US$m
2024				
At 1 January	**26,388.1**	**44.4**	**254.7**	**26,687.2**
Exchange differences	**110.9**	**–**	**2.3**	**113.2**
Additions	**76.9**	**–**	**0.2**	**77.1**
Disposal	**–**	**–**	**(12.7)**	**(12.7)**
Transfer to fixed assets (see Note 10)	**(111.7)**	**–**	**–**	**(111.7)**
Transfer to right-of-use assets (see Note 10)	**(94.2)**	**–**	**–**	**(94.2)**
(Decrease)/increase in fair value	**(1,891.3)**	**4.0**	**(0.3)**	**(1,887.6)**
Classified as held for sale (see Note 17)	**(11.4)**	**–**	**–**	**(11.4)**
At 31 December	**24,467.3**	**48.4**	**244.2**	**24,759.9**
Freehold properties				**114.8**
Leasehold properties				**24,645.1**
				24,759.9
2023				
At 1 January	27,760.4	43.4	250.3	28,054.1
Exchange differences	(68.7)	–	(1.0)	(69.7)
Additions	49.6	–	–	49.6
Disposal of subsidiaries	(23.3)	–	–	(23.3)
(Decrease)/increase in fair value	(1,329.9)	1.0	5.4	(1,323.5)
At 31 December	26,388.1	44.4	254.7	26,687.2
Freehold properties				138.5
Leasehold properties				26,548.7
				26,687.2

The own use portions of offices and hotel in Hong Kong were reclassified to fixed assets and right-of-use assets (see Note 10) and recognised at historical cost less accumulated depreciation.

Decrease in fair value for 2024 includes a US$383.2 million reversal of cumulative gains on these reclassified properties.

The Group measures its investment properties at fair value. The fair values of the Group's investment properties at 31 December 2024 and 2023 have been determined on the basis of valuations carried out by independent valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. The Group engaged Jones Lang LaSalle to value its investment properties in Hong Kong, Chinese mainland, Singapore and Cambodia which are either freehold or held under leases with unexpired lease terms of more than 25 years. The valuations, which conform to the International Valuation Standards issued by the International Valuation Standards Council and the HKIS Valuation Standards issued by the Hong Kong Institute of Surveyors, were arrived at by reference to the net income, allowing for reversionary potential, of each property. The Report of the Valuers is set out on page 118. The valuations are comprehensively reviewed by the Group.

At 31 December 2024, investment properties of US$996.0 million *(2023: US$951.8 million)* were pledged as security for borrowings (see Note 19).

11 Investment Properties continued

a) Fair value measurements of commercial properties using significant unobservable inputs (level 3)

Fair values of completed commercial properties in Hong Kong, Chinese mainland and Singapore are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' views of recent lettings, within the subject properties and other comparable properties.

Fair values of completed commercial properties in Cambodia are generally derived using the discounted cash flow method. The net present value of the income stream is estimated by applying an appropriate discount rate which reflects the risk profile.

Fair values of under development commercial properties are generally derived using the residual method. This valuation method is essentially a means of valuing the land by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completion as at the date of valuation.

The Group's policy is to recognise transfers between fair value measurements as of the date of the event or change in circumstances that caused the transfer. There were no transfer between level 1, 2 and 3 for recurring fair value measurements during the year.

Information about fair value measurements using significant unobservable inputs at 31 December:

Location of properties	Fair value	Valuation method	Range of significant unobservable inputs: Prevailing market rent per month	Range of significant unobservable inputs: Capitalisation/ discount rate
	US$m		US$	%
2024				
Hong Kong				
– office	**18,714.0**	Income capitalisation	12.8 per square foot	2.90 to 3.50
– retail	**4,109.5**	Income capitalisation	28.8 per square foot	4.25 to 5.00
Total	**22,823.5**			
Chinese mainland	**996.0**	Income capitalisation	105.1 per square metre	3.50
Singapore	**581.4**	Income capitalisation	7.5 per square foot	3.35 to 4.80
Cambodia	**66.4**	Discounted cash flow	21.0 to 30.0 per square metre	12.50 to 13.50
Total	**24,467.3**			
2023				
Hong Kong				
– office	20,910.3	Income capitalisation	14.0 per square foot	2.90 to 3.50
– retail	3,847.0	Income capitalisation	22.3 per square foot	4.50 to 5.00
Total	24,757.3			
Chinese mainland	951.8	Income capitalisation	104.4 per square metre	3.75
Singapore	596.8	Income capitalisation	7.7 per square foot	3.35 to 4.80
Vietnam and Cambodia	82.2	Discounted cash flow	21.0 to 30.0 per square metre	12.50 to 13.50
Total	26,388.1			

Prevailing market rents are estimated based on independent valuers' view of recent lettings, within the subject properties and other comparable properties. The higher the rents, the higher the fair value.

Capitalisation and discount rates are estimated by independent valuers based on the risk profile of the properties being valued. The lower the rates, the higher the fair value.

11 Investment Properties continued

a) Fair value measurements of commercial properties using significant unobservable inputs (level 3) continued

An increase/decrease to prevailing market rent will increase/decrease valuations, while an increase/decrease to capitalisation/discount rate will decrease/increase valuations. Sensitivity analyses have been performed to assess the impact on the valuations of changes in the two significant unobservable inputs for prevailing market rents and capitalisation rates on the completed commercial properties in Hong Kong, which contributed 92% *(2023: 93%)* of the total investment properties balance at 31 December 2024. The impact of any reasonably possible change in the assumptions for other investment properties would not be material. The Group believes this captures the range of variations in these key valuation assumptions. The results are shown in the table below:

		Increase/(decrease) in valuation	
	Change in assumption %	**Increase in assumption US$m**	**Decrease in assumption US$m**
2024			
Prevailing market rent per month	**5.0**	**1,034.7**	**(1,061.9)**
Capitalisation rate	**0.1**	**(661.2)**	**703.4**
2023			
Prevailing market rent per month	5.0	1,158.7	(1,149.7)
Capitalisation rate	0.1	(709.8)	755.4

b) Fair value measurements of residential properties using no significant unobservable inputs (level 2)

Fair values of completed residential properties are generally derived using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

12 Associates and Joint Ventures

	2024 US$m	2023 US$m
Unlisted associates		
– share of attributable net assets	**455.7**	454.1
– amounts due from associates	**398.3**	407.1
	854.0	861.2
Unlisted joint ventures		
– share of attributable net assets	**7,675.2**	7,861.4
– amounts due from joint ventures	**1,517.0**	1,862.6
	9,192.2	9,724.0
	10,046.2	10,585.2
By business		
Prime Properties Investment	**4,677.7**	4,610.0
Build-to-sell	**5,368.5**	5,975.2
	10,046.2	10,585.2

To align with market practice, amounts due to associates and joint ventures of US$1,301.0 million for 2023 *(2022: US$1,288.6 million)*, which were previously reported net against Associates and Joint Ventures based on how these balances were intended to be settled, are now reclassified and presented within Creditors (see Note 18). The previously reported balances of Current and Non-current creditors for 2023 increased by US$449.2 million *(2022: US$501.7 million)* and US$851.8 million *(2022: US$786.9 million)* respectively. The related cash flows in 2023, previously classified under investing activities as repayments from/advances to associates and joint ventures of US$165.0 million and US$56.5 million respectively, are now represented under financing activities.

Amounts due from associates are interest free, unsecured and have no fixed terms of repayment.

Amounts due from joint ventures bear interests at rates up to 7% per annum and are repayable within one to six years.

12 Associates and Joint Ventures continued

Movements of associates and joint ventures during the year:

	Associates		Joint ventures	
	2024	2023	**2024**	2023
	US$m	US$m	**US$m**	US$m
At 1 January	**861.2**	754.2	**9,724.0**	10,150.4
Exchange differences	**(0.2)**	(0.2)	**(32.1)**	19.3
Share of results after tax and non-controlling interests	**11.4**	16.2	**242.8**	236.5
Share of other comprehensive expense after tax and non-controlling interests	**(31.3)**	(6.7)	**(215.0)**	(52.4)
Dividends received and receivable	**(1.0)**	(1.1)	**(99.6)**	(129.1)
Investments in and advances to/(repayments from) associates and joint ventures	**13.9**	98.8	**(93.3)**	(367.5)
Classified as held for sale	**–**	–	**(39.6)**	–
Disposal	**–**	–	**(9.1)**	(15.8)
Transfer to subsidiaries	**–**	–	**(285.9)**	(117.4)
At 31 December	**854.0**	861.2	**9,192.2**	9,724.0

The material joint ventures of the Group are listed below. These joint ventures have share capital consisting solely of ordinary shares, which are held directly by the Group. The Group has no material associates.

Nature of investments in material joint ventures in 2024 and 2023:

Name of entity	Nature of business	Country of incorporation/ principal place of business	% of ownership interest	
			2024	2023
Shanghai Yibin Property Co. Ltd.	Property investment	Shanghai	**43**	43
Properties Sub F, Ltd	Property investment	Macau	**49**	49
BFC Development LLP	Property investment	Singapore	**33**	33
Central Boulevard Development Pte Ltd	Property investment	Singapore	**33**	33
One Raffles Quay Pte Ltd	Property investment	Singapore	**33**	33

12 Associates and Joint Ventures continued

Summarised financial information for material joint ventures

Summarised balance sheet at 31 December:

	Shanghai Yibin Property Co. Ltd. US$m	Properties Sub F, Ltd US$m	BFC Development LLP US$m	Central Boulevard Development Pte Ltd US$m	One Raffles Quay Pte Ltd US$m
2024					
Non-current assets*	**3,606.5**	**1,133.7**	**3,977.0**	**3,098.9**	**2,910.4**
Current assets					
Cash and cash equivalents	**80.5**	**133.8**	**28.2**	**24.7**	**16.7**
Other current assets	**1,370.1**	**44.2**	**3.2**	**3.1**	**0.2**
Total current assets	**1,450.6**	**178.0**	**31.4**	**27.8**	**16.9**
Non-current liabilities					
Financial liabilities (excluding trade payables)	**(614.1)**	**–**	**(1,263.0)**	**(1,189.6)**	**(783.8)**
Other non-current liabilities (including trade payables)	**(43.2)**	**(124.4)**	**–**	**(21.6)**	**(211.8)**
Total non-current liabilities	**(657.3)**	**(124.4)**	**(1,263.0)**	**(1,211.2)**	**(995.6)**
Current liabilities					
Financial liabilities (excluding trade payables)	**–**	**–**	**(0.6)**	**(8.9)**	**(2.1)**
Other current liabilities (including trade payables)	**(206.7)**	**(43.3)**	**(79.5)**	**(46.3)**	**(50.3)**
Total current liabilities	**(206.7)**	**(43.3)**	**(80.1)**	**(55.2)**	**(52.4)**
Net assets	**4,193.1**	**1,144.0**	**2,665.3**	**1,860.3**	**1,879.3**
2023					
Non-current assets*	3,410.5	1,136.8	3,883.3	2,990.2	2,986.9
Current assets					
Cash and cash equivalents	65.7	97.9	29.4	29.1	12.1
Other current assets	1,304.7	43.4	3.6	2.8	1.8
Total current assets	1,370.4	141.3	33.0	31.9	13.9
Non-current liabilities					
Financial liabilities (excluding trade payables)	(325.4)	–	(1,302.3)	(1,223.0)	(801.9)
Other non-current liabilities (including trade payables)	(30.8)	(125.5)	–	(21.2)	(218.0)
Total non-current liabilities	(356.2)	(125.5)	(1,302.3)	(1,244.2)	(1,019.9)
Current liabilities					
Financial liabilities (excluding trade payables)	–	–	(0.7)	(7.9)	(2.2)
Other current liabilities (including trade payables)	(147.9)	(40.9)	(77.3)	(46.0)	(48.5)
Total current liabilities	(147.9)	(40.9)	(78.0)	(53.9)	(50.7)
Net assets	4,276.8	1,111.7	2,536.0	1,724.0	1,930.2

* Predominantly consist of Investment Properties.

12 Associates and Joint Ventures continued

Summarised financial information for material joint ventures continued

Summarised statement of comprehensive income for the year ended 31 December:

	Shanghai Yibin Property Co. Ltd. US$m	Properties Sub F, Ltd US$m	BFC Development LLP US$m	Central Boulevard Development Pte Ltd US$m	One Raffles Quay Pte Ltd US$m
2024					
Revenue	**0.1**	**82.7**	**182.6**	**134.5**	**134.1**
Depreciation and amortisation	**–**	**(3.2)**	**–**	**–**	**–**
Interest income	**0.7**	**3.0**	**–**	**–**	**–**
Interest expense	**–**	**(0.2)**	**(52.5)**	**(45.7)**	**(28.4)**
Profit/(loss) from underlying business performance	**(2.6)**	**44.2**	**87.1**	**55.4**	**73.2**
Tax	**0.6**	**(5.2)**	**(14.4)**	**(9.5)**	**(12.5)**
Profit/(loss) after tax from underlying business performance	**(2.0)**	**39.0**	**72.7**	**45.9**	**60.7**
Profit/(loss) after tax from non-trading items	**38.3**	**(13.9)**	**205.4**	**203.8**	**13.2**
Profit after tax	**36.3**	**25.1**	**278.1**	**249.7**	**73.9**
Other comprehensive income/(expense)	**(120.0)**	**7.3**	**(73.6)**	**(67.8)**	**(64.5)**
Total comprehensive income/(expense)	**(83.7)**	**32.4**	**204.5**	**181.9**	**9.4**
Group's share of dividends received and receivable from joint ventures	**–**	**–**	**25.1**	**15.2**	**20.1**
2023					
Revenue	–	81.3	171.4	132.5	130.8
Depreciation and amortisation	–	(3.5)	–	–	–
Interest income	0.7	1.4	–	–	–
Interest expense	–	(0.2)	(53.8)	(43.8)	(28.6)
Profit/(loss) from underlying business performance	(3.0)	31.3	73.9	56.7	70.0
Tax	0.5	(3.7)	(11.7)	(9.6)	(11.9)
Profit/(loss) after tax from underlying business performance	(2.5)	27.6	62.2	47.1	58.1
Profit/(loss) after tax from non-trading items	9.1	(7.3)	54.4	22.1	(0.2)
Profit after tax	6.6	20.3	116.6	69.2	57.9
Other comprehensive income/(expense)	(84.8)	(2.5)	38.2	25.7	29.6
Total comprehensive income/(expense)	(78.2)	17.8	154.8	94.9	87.5
Group's share of dividends received and receivable from joint ventures	–	–	20.7	15.8	19.4

The information contained in the summarised balance sheets and statements of comprehensive income reflect the amounts presented in the financial statements of the joint ventures adjusted for differences in accounting policies between the Group and the joint ventures, and fair value of the joint ventures at the time of acquisition.

12 Associates and Joint Ventures continued

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the material joint ventures for the year ended 31 December:

	Shanghai Yibin Property Co. Ltd. US$m	Properties Sub F, Ltd US$m	BFC Development LLP US$m	Central Boulevard Development Pte Ltd US$m	One Raffles Quay Pte Ltd US$m
2024					
Net assets	**4,193.1**	**1,144.0**	**2,665.3**	**1,860.3**	**1,879.3**
Interest in joint ventures (%)	**43**	**49**	**33**	**33**	**33**
Group's share of net assets in joint ventures	**1,803.0**	**560.5**	**888.4**	**620.1**	**626.5**
Amounts due from joint ventures	**–**	**–**	**–**	**–**	**40.5**
Carrying value	**1,803.0**	**560.5**	**888.4**	**620.1**	**667.0**
2023					
Net assets	4,276.8	1,111.7	2,536.0	1,724.0	1,930.2
Interest in joint ventures (%)	43	49	33	33	33
Group's share of net assets in joint ventures	1,839.0	544.7	845.3	574.7	643.4
Amounts due from joint ventures	–	–	–	–	38.9
Carrying value	1,839.0	544.7	845.3	574.7	682.3

The Group has interests in a number of individually immaterial joint ventures. The following table analyses, in aggregate, the share of profit and other comprehensive income and carrying amount of these joint ventures.

	2024 US$m	2023 US$m
Share of profit	**14.5**	142.8
Share of other comprehensive income	**(98.5)**	(45.8)
Share of total comprehensive (expense)/income	**(84.0)**	97.0
Carrying amount of interests in these joint ventures	**4,653.2**	5,238.0

At 31 December 2024, the Group's commitments to provide funding to its joint ventures, if called, amounted to US$715.6 million *(2023: US$744.5 million)*.

There were no contingent liabilities relating to the Group's interests in the joint ventures at 31 December 2024 and 2023.

13 Debtors

	2024 **US$m**	2023 US$m
Trade debtors	**28.3**	31.2
Contract assets (see Note 3)	**10.7**	10.4
Other debtors		
– third parties	**258.7**	266.1
– associates and joint ventures	**62.8**	80.6
	360.5	388.3
Non-current		
– other debtors	**11.5**	14.2
Current		
– trade debtors	**28.3**	31.2
– contract assets	**10.7**	10.4
– other debtors	**310.0**	332.5
	349.0	374.1
	360.5	388.3
By geographical area of operation		
Hong Kong and Macau	**117.6**	123.7
Chinese mainland	**165.6**	160.1
Southeast Asia and others	**77.3**	104.5
	360.5	388.3

The fair value of trade debtors, contract assets and other debtors approximates to their carrying amounts, as the impact of discounting is not significant. Derivative financial instruments are stated at fair value. The higher the discount rates, the lower the fair value.

Significant financial difficulties of a debtor, probability that a debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payment are considered indicators that the debt is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

The Group applied the simplified approach to measure expected credit loss, that is a lifetime expected loss allowance for trade debtors and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Changes in certain macroeconomic information, such as GDP and inflation rate, are relevant for determining expected credit loss rates. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade debtors for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade debtors are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors and industry trends affecting the ability of the customers to settle the receivables.

13 Debtors continued

The loss allowance as at 31 December:

	Below 30 days US$m	Between 31 and 60 days US$m	Between 61 and 120 days US$m	More than 120 days US$m	Total US$m
2024					
Expected loss rate (%)	**–**	**–**	**4**	**3**	**1**
Gross carrying amount – trade debtors	**18.6**	**3.2**	**2.9**	**3.9**	**28.6**
Gross carrying amount – contract assets	**10.7**	**–**	**–**	**–**	**10.7**
Loss allowance	**(0.1)**	**–**	**(0.1)**	**(0.1)**	**(0.3)**
2023					
Expected loss rate (%)	–	–	5	3	1
Gross carrying amount – trade debtors	22.9	2.9	2.1	3.6	31.5
Gross carrying amount – contract assets	10.4	–	–	–	10.4
Loss allowance	(0.1)	–	(0.1)	(0.1)	(0.3)

Trade debtors, contract assets and other debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Other debtors are further analysed as follows:

	2024 US$m	2023 US$m
Costs to fulfil contracts (see Note 3)	**4.7**	4.4
Costs to obtain contracts (see Note 3)	**1.9**	14.6
Prepayments	**107.1**	109.8
Derivative financial instruments	**0.2**	4.0
Amounts due from associates and joint ventures	**62.8**	80.6
Others	**144.8**	133.3
	321.5	346.7

14 Deferred Tax Assets and Liabilities

	Tax losses US$m	Accelerated capital allowances US$m	Revaluation surpluses of investment properties US$m	Other temporary differences US$m	Total US$m
2024					
At 1 January	**54.6**	**(135.5)**	**(44.9)**	**(10.0)**	**(135.8)**
Exchange differences	**(1.4)**	**0.7**	**0.8**	**(0.5)**	**(0.4)**
Credited/(charged) to profit and loss	**15.7**	**(26.8)**	**(25.8)**	**(21.8)**	**(58.7)**
Charged to other comprehensive income	**–**	**–**	**–**	**(1.5)**	**(1.5)**
At 31 December	**68.9**	**(161.6)**	**(69.9)**	**(33.8)**	**(196.4)**
Deferred tax assets					**53.5**
Deferred tax liabilities					**(249.9)**
					(196.4)
2023					
At 1 January	42.2	(81.3)	(30.2)	(89.6)	(158.9)
Exchange differences	(0.8)	0.2	0.5	0.9	0.8
Credited/(charged) to profit and loss	13.2	(58.3)	(15.2)	82.6	22.3
Credited to other comprehensive income	–	–	–	9.0	9.0
Acquisition of subsidiaries	–	–	–	(12.9)	(12.9)
Disposal of subsidiaries	–	3.9	–	–	3.9
At 31 December	54.6	(135.5)	(44.9)	(10.0)	(135.8)
Deferred tax assets					113.3
Deferred tax liabilities					(249.1)
					(135.8)

Deferred tax balances predominantly comprise non-current items. Deferred tax assets and liabilities are netted when the taxes relate to the same taxation authority and where offsetting is allowed.

Deferred tax assets of US$24.8 million *(2023: US$15.8 million)* arising from unused tax losses of US$112.4 million *(2023: US$72.9 million)* have not been recognised in the financial statements. Included in the unused tax losses, US$23.2 million *(2023: US$23.1 million)* have no expiry date and the balance will expire at various dates up to and including 2029.

15 Properties for Sale

	2024 US$m	2023 US$m
Properties under development	**728.9**	1,464.2
Completed properties	**1,888.0**	1,543.6
	2,616.9	3,007.8
Provision	**(257.2)**	(81.7)
	2,359.7	2,926.1

At 31 December 2024, properties under development which were not scheduled for completion within the next 12 months amounted to US$513.5 million *(2023: US$406.7 million)*. Properties for sale of US$871.6 million *(2023: US$848.5 million)* were pledged as security for borrowings (see Note 19).

16 Bank Balances

	2024 US$m	2023 US$m
Deposits with banks and financial institutions	**1,014.6**	1,051.2
Restricted cash	**9.5**	82.2
Bank balances	**49.3**	62.2
	1,073.4	1,195.6
By currency		
Chinese renminbi	**454.6**	497.6
Hong Kong dollar	**58.0**	78.8
Malaysian ringgit	**22.8**	22.0
Singapore dollar	**69.7**	209.7
United States dollar	**463.7**	385.5
Others	**4.6**	2.0
	1,073.4	1,195.6

The weighted average interest rate on deposits with banks and financial institutions is 4.0% *(2023: 4.8%)* per annum.

Restricted cash represents property sale proceeds placed with banks in accordance with the requirements of property development on the Chinese mainland and are restricted for use until certain conditions are fulfilled.

17 Assets Classified as Held for Sale

The major classes of assets classified as held for sale are set out below:

	2024 US$m	2023 US$m
Investment properties	11.4	–
Joint ventures	26.1	–
Current assets*	16.8	–
Total assets	54.3	–

* Included bank balances of US$3.5 million (see Note 23(b)).

At 31 December 2024, assets classified as held for sale principally related to certain interests in Cambodia and Thailand with net assets of US$14.9 million and US$39.4 million respectively.

18 Creditors

	2024 US$m	2023 US$m
Trade creditors	566.3	661.0
Other creditors	183.8	217.6
Tenants' deposits	257.5	258.7
Derivative financial instruments	65.8	62.0
Rent received in advance	19.3	17.1
Contract liabilities – properties for sale (see Note 3)	126.1	550.2
Lease liabilities	5.0	6.6
Amounts due to associates and joint ventures	1,334.5	1,302.5
	2.558.3	3,075.7
Non-current	915.9	920.6
Current	1,642.4	2,155.1
	2.558.3	3,075.7
By geographical area of operation		
Hong Kong and Macau	583.2	603.5
Chinese mainland	1,930.7	2,422.0
Southeast Asia and others	44.4	50.2
	2,558.3	3,075.7

Derivative financial instruments are stated at fair value. Other creditors are stated at amortised cost. The fair value of these creditors approximates their carrying amounts. Amounts due to associates and joint ventures represent distributions of surplus cash in the form of advances which are interest free, unsecured and repayable based on contractual terms (see Note 12).

19 Borrowings

	2024 Carrying amount US$m	2024 Fair value US$m	2023 Carrying amount US$m	2023 Fair value US$m
Current				
Bank overdrafts	**0.2**	**0.2**	1.2	1.2
Bank loans	**6.4**	**6.4**	74.2	74.2
Current portion of long-term borrowings				
– bank loans	**177.2**	**177.2**	306.5	306.5
– notes	**639.9**	**636.0**	399.7	400.9
	823.7	**819.8**	781.6	782.8
Long-term				
Bank loans	**2,069.7**	**2,069.7**	1,909.7	1,909.7
Notes	**3,271.9**	**3,046.1**	3,875.6	3,634.0
	5,341.6	**5,115.8**	5,785.3	5,543.7
	6,165.3	**5,935.6**	6,566.9	6,326.5
Secured	**921.0**		942.6	
Unsecured	**5,244.3**		5,624.3	
	6,165.3		6,566.9	

19 Borrowings continued

The fair values are based on market prices or are estimated using the expected future payments discounted at market interest rates ranging from 2.6% to 5.2% *(2023: 2.8% to 6.0%)* per annum. This is in line with the definition of 'observable current market transactions' under the fair value measurement hierarchy. The fair value of current borrowings approximates their carrying amounts, as the impact of discounting is not significant.

Secured borrowings at 31 December 2024 and 2023 were certain subsidiaries' bank borrowings which were secured against their investment properties and properties for sale.

The movements in borrowings are as follow:

	Bank overdrafts US$m	Long-term borrowings US$m	Short-term borrowings US$m	Total US$m
2024				
At 1 January	**1.2**	**5,785.3**	**780.4**	**6,566.9**
Exchange differences	**–**	**(21.5)**	**(14.1)**	**(35.6)**
Transfer	**–**	**(974.4)**	**974.4**	**–**
Change in fair value	**–**	**1.1**	**0.2**	**1.3**
Change in bank overdrafts	**(1.0)**	**–**	**–**	**(1.0)**
Drawdown of borrowings	**–**	**2,355.8**	**15.2**	**2,371.0**
Repayment of borrowings	**–**	**(1,804.7)**	**(932.6)**	**(2,737.3)**
At 31 December	**0.2**	**5,341.6**	**823.5**	**6,165.3**
2023				
At 1 January	1.9	6,571.4	417.2	6,990.5
Exchange differences	–	(8.6)	2.1	(6.5)
Transfer	–	(585.7)	585.7	–
Subsidiaries acquired	–	–	25.9	25.9
Change in fair value	–	5.2	0.1	5.3
Change in bank overdrafts	(0.7)	–	–	(0.7)
Drawdown of borrowings	–	1,775.5	346.4	2,121.9
Repayment of borrowings	–	(1,972.5)	(597.0)	(2,569.5)
At 31 December	1.2	5,785.3	780.4	6,566.9

19 Borrowings continued

The borrowings after currency swaps at 31 December are further summarised as follows:

	Fixed rate borrowings				
	Weighted average interest rates %	Weighted average period outstanding Years	US$m	Floating rate borrowings US$m	Total US$m
By currency					
2024					
Hong Kong dollar	**3.8**	**5.6**	**3,511.9**	**612.0**	**4,123.9**
Singapore dollar	**3.8**	**14.4**	**218.2**	**–**	**218.2**
Chinese renminbi	**3.1**	**2.1**	**483.2**	**986.5**	**1,469.7**
Thai baht	**3.3**	**–**	**–**	**353.5**	**353.5**
			4,213.3	**1,952.0**	**6,165.3**
2023					
Hong Kong dollar	4.2	6.2	3,664.1	885.2	4,549.3
Singapore dollar	3.8	15.4	224.7	–	224.7
Chinese renminbi	3.5	3.0	186.8	1,271.2	1,458.0
Thai baht	3.6	–	–	334.9	334.9
			4,075.6	2,491.3	6,566.9

The weighted average interest rates and period of fixed rate borrowings are stated after taking into account hedging transactions.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at 31 December after taking into account hedging transactions are as follows:

	2024 US$m	2023 US$m
Floating rate borrowings	**1,952.0**	2,491.3
Fixed rate borrowings		
– within one year	**639.9**	200.0
– between one and two years	**220.6**	641.3
– between two and three years	**488.8**	225.3
– between three and four years	**183.7**	185.9
– between four and five years	**122.0**	182.4
– beyond five years	**2,558.3**	2,640.7
	4,213.3	4,075.6
	6,165.3	6,566.9

19 Borrowings continued

Details of notes outstanding at 31 December are as follows:

		2024		2023	
		Current	Non-current	Current	Non-current
	Maturity	US$m	US$m	US$m	US$m
Medium term notes					
US$400m 10-year notes at 4.625%*	2024	–	–	399.7	–
HK$300m 15-year notes at 4.10%	2025	**38.6**	–	–	38.4
US$600m 15-year notes at 4.50%*	2025	**601.3**	–	–	602.9
HK$302m 15-year notes at 3.75%	2026	–	**38.8**	–	38.5
CNY330m 3-year notes at 3.50%#	2026	–	**45.1**	–	46.4
CNY1,000m 3-year notes at 3.50%#	2026	–	**136.6**	–	140.4
HK$785m 15-year notes at 4.00%	2027	–	**100.7**	–	99.9
HK$473m 15-year notes at 4.04%	2027	–	**60.9**	–	60.5
HK$200m 15-year notes at 3.95%	2027	–	**25.7**	–	25.6
HK$300m 15-year notes at 3.15%	2028	–	**38.5**	–	38.1
HK$325m 15-year notes at 4.22%	2028	–	**41.7**	–	41.4
HK$450m 10-year notes at 3.83%	2028	–	**57.9**	–	57.5
HK$355m 10-year notes at 3.75%	2028	–	**45.6**	–	45.3
HK$400m 15-year notes at 4.40%	2029	–	**51.2**	–	50.8
HK$550m 10-year notes at 2.93%	2029	–	**70.8**	–	70.3
US$600m 10-year notes at 2.875%*	2030	–	**596.8**	–	596.2
HK$800m 20-year notes at 4.11%	2030	–	**103.0**	–	102.4
US$500m 10-year notes at 2.25%*	2031	–	**496.7**	–	496.2
HK$375m 10-year notes at 1.957%	2031	–	**48.2**	–	47.9
HK$200m 20-year notes at 4.125%	2031	–	**25.6**	–	25.4
HK$240m 20-year notes at 4.00%	2032	–	**30.6**	–	30.3
HK$863m 12-year notes at 2.83%	2032	–	**110.4**	–	109.6
US$400m 10-year notes at 5.25%*	2033	–	**397.7**	–	397.5
HK$700m 15-year notes at 4.12%	2033	–	**89.6**	–	89.0
HK$300m 10-year notes at 4.85%	2033	–	**38.5**	–	38.2
HK$604m 15-year notes at 3.67%	2034	–	**77.5**	–	77.0
HK$300m 10-year notes at 4.68%	2034	–	**38.3**	–	–
HK$400m 15-year notes at 2.72%	2035	–	**51.1**	–	50.8
HK$400m 15-year notes at 2.90%	2035	–	**51.0**	–	50.6
HK$400m 15-year notes at 2.90%	2035	–	**51.0**	–	50.6
HK$800m 15-year notes at 2.65%	2035	–	**102.1**	–	101.3
S$150m 20-year notes at 3.95%	2038	–	**108.7**	–	111.9
S$150m 20-year notes at 3.45%	2039	–	**109.5**	–	112.8
HK$250m 30-year notes at 5.25%	2040	–	**32.1**	–	31.9
		639.9	**3,271.9**	399.7	3,875.6

* Listed on the Singapore Exchange.
\# Chinese yuan (offshore)

20 Share Capital

	Ordinary shares in millions 2024	2023	2024 US$m	2023 US$m
Authorised				
Shares of US$0.10 each	**4,000.0**	4,000.0	**400.0**	400.0
Issued and fully paid				
At 1 January	**2,206.6**	2,227.0	**220.7**	222.7
Repurchased and cancelled	**–**	(20.4)	**–**	(2.0)
At 31 December	**2,206.6**	2,206.6	**220.7**	220.7

During the year ended 31 December 2023, the Company repurchased 20.4 million ordinary shares from the stock market at a cost of US$83.2 million, which resulted in a charge of US$2.0 million to share capital and US$81.2 million to revenue reserve.

21 Share-based Incentives

Share-based compensation is sometimes awarded to new senior executives as an incentive to join the Group. These share awards typically vest free of payment in equal installments over five years, subject to continued employment on the date each vesting period ends.

The fair value of the 1,784,500 shares awarded in 2024 was US$5.8 million based on the closing share price on the grant date. Share awards of US$1.4 million were charged to the profit and loss during the year.

Movements of the outstanding conditional awards during the year:

	Conditional awards in millions 2024	2023	Conditional awards in dollars 2024 US$m	2023 US$m
At 1 January	**–**	–	**–**	–
Granted	**1.8**	–	**5.8**	–
At 31 December	**1.8**	–	**5.8**	–
Outstanding conditional awards at 31 December:				
Awards vesting date				
2025	**0.4**	–	**1.2**	–
2026	**0.4**	–	**1.2**	–
2027	**0.4**	–	**1.2**	–
2028	**0.3**	–	**1.1**	–
2029	**0.3**	–	**1.1**	–
Total outstanding	**1.8**	–	**5.8**	–

22 Dividends

	2024 US$m	2023 US$m
Final dividend in respect of 2023 of US¢16.00 *(2022: US¢16.00)* per share	**353.1**	355.9
Interim dividend in respect of 2024 of US¢6.00 *(2023: US¢6.00)* per share	**132.4**	132.8
	485.5	488.7

A final dividend in respect of 2024 of US¢17.00 *(2023: US¢16.00)* per share amounting to a total of US$375.1 million *(2023: US$353.1 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2025 Annual General Meeting. The amount will be accounted for as an appropriation of revenue reserves in the year ending 31 December 2025.

23 Notes to Consolidated Cash Flow Statement

a) Repayments from/to, investments in and advances from/to associates and joint ventures

Set out below is an analysis by reportable segment on a net basis:

	2024 US$m	2023 US$m
By business		
Prime Properties Investment	**6.5**	429.1
Build-to-sell	**193.2**	(81.5)
	199.7	347.6
By geographical location		
Chinese mainland	**222.2**	135.2
Southeast Asia and others	**(22.5)**	212.4
	199.7	347.6

b) Cash and cash equivalents

	2024 US$m	2023 US$m
Bank balances excluding restricted cash (see Note 16)	**1,063.9**	1,113.4
Bank overdrafts (see Note 19)	**(0.2)**	(1.2)
Bank balances classified as held for sale (see Note 17)	**3.5**	–
	1,067.2	1,112.2

24 Derivative Financial Instruments

The fair values of derivative financial instruments at 31 December are as follows:

	2024		2023	
	Positive fair value US$m	**Negative fair value US$m**	Positive fair value US$m	Negative fair value US$m
Designated as cash flow hedges				
– cross currency swaps	**0.2**	**65.8**	2.7	62.0
Designated as fair value hedges				
– cross currency swaps	**–**	**–**	1.3	–

Cross currency swaps

The contract amounts of the outstanding cross currency swap contracts at 31 December 2024 were US$2,100.0 million *(2023: US$2,500.0 million)*.

25 Capital Commitments

	2024 US$m	2023 US$m
Authorised not contracted	**214.9**	2.7
Contracted not provided		
– contributions to joint ventures	**715.6**	744.5
– others	**225.4**	66.6
	941.0	811.1
	1,155.9	813.8

26 Contingent Liabilities

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

27 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 2024 was US$2.1 million *(2023: US$3.7 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.

27 Related Party Transactions continued

Property and other services

The Group rented properties to Jardine Matheson group members. Gross rentals on such properties in 2024 amounted to US$19.0 million *(2023: US$19.8 million)*.

The Group provided project management services and property management services to Jardine Matheson group members in 2024 amounting to US$3.8 million *(2023: US$3.9 million)*.

Jardine Matheson group members provided property maintenance and other services to the Group in 2024 in aggregate amounting to US$59.0 million *(2023: US$58.8 million)*.

Hotel management services

Jardine Matheson group members provided hotel management services to the Group in 2024 amounting to US$3.1 million *(2023: US$3.6 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 (see Notes 12, 13 and 18).

Directors' emoluments

Details of Directors' emoluments (being the key management personnel compensation) are shown on page 102 under the heading of 'Remuneration Outcomes in 2024'.

28 Summarised Balance Sheet of the Company

Included below is certain summarised balance sheet information of the Company disclosed in accordance with Bermuda law.

	2024 US$m	2023 US$m
Net operating assets		
Investments at cost		
Unlisted shares in subsidiaries	**4,481.7**	4,481.7
Amounts due from subsidiaries	**2,626.6**	2,615.6
	7,108.3	7,097.3
Creditors and other accruals	**(34.5)**	(32.5)
	7,073.8	7,064.8
Total equity		
Share capital (see Note 20)	**220.7**	220.7
Revenue and other reserves		
Contributed surplus	**1,892.1**	1,892.1
Capital reserves	**1.4**	–
Revenue reserves	**4,959.6**	4,952.0
	6,853.1	6,844.1
Shareholders' funds	**7,073.8**	7,064.8

Subsidiaries are shown at cost less amounts provided.

The contributed surplus was set up on the formation of the Company in 1989 and, under the Bye-Laws of the Company, is distributable.

29 Principal Subsidiaries, Associates and Joint Ventures

The principal subsidiaries, associates and joint ventures of the Group at 31 December 2024 are set out below.

	Attributable interest		Issued share capital		Main activities	Place of incorporation
	2024 %	2023 %				
Subsidiaries						
Hongkong Land China Holdings Limited*	**100**	100	USD	200,000,000	Investment holding	Bermuda
Hongkong Land International Holdings Ltd*	**100**	100	USD	200,000,000	Investment holding	Bermuda
Hongkong Land Limited*	**100**	100	USD	12,000	Group management	Bermuda
Blossom Noble (HK) Limited	**100**	100	HKD	156,000,001	Property investment	Hong Kong
Grateful Point (HK) Limited	**100**	100	HKD	171,000,001	Property investment	Hong Kong
The Hongkong Land Company, Limited	**100**	100	HKD	2,147,317,117	Investment holding	Hong Kong
The Hongkong Land Property Company, Limited	**100**	100	HKD	200	Property investment	Hong Kong
HKL (Alexandra House) Limited	**100**	100	HKD	12,348,000,001	Property investment	Hong Kong
HKL (Chater House) Limited	**100**	100	HKD	1,500,000	Property investment	Hong Kong
HKL (Jardine House) Limited	**100**	100	HKD	17,602,000,001	Property investment	Hong Kong
HKL (Landmark Hotel) Limited	**100**	100	HKD	2	Hotel investment	Hong Kong
HKL (One EXSQ) Limited	**100**	100	HKD	19,022,000,001	Property investment	Hong Kong
HKL (Podium) Limited	**100**	100	HKD	826,000,001	Property investment	Hong Kong
HKL (Prince's Building) Limited	**100**	100	HKD	200	Property investment	Hong Kong
HKL (The Forum) Limited	**100**	100	HKD	1,997,592,818	Property investment	Hong Kong
HKL (Three EXSQ) Limited	**100**	100	HKD	12,750,250,316	Property investment	Hong Kong
HKL (Two EXSQ) Limited	**100**	100	HKD	16,639,000,001	Property investment	Hong Kong
Hongkong Land (HK) Investments Limited	**100**	100	HKD	4,033,804,249	Investment holding	Hong Kong
Hongkong Land (West Bund) Development Limited	**100**	100	HKD	11,216,548,649	Investment holding	Hong Kong
Violet Castle (HK) Limited	**100**	100	HKD	55,200,001	Property investment	Hong Kong
Chengdu Premium Property Development Company Limited	**100**	100	USD	699,980,000	Property development	Chinese mainland
Hongkong Land (Chengdu) Ruilong Development Co. Ltd.	**100**	100	RMB	500,000,000	Property development	Chinese mainland
Hongkong Land (Chengdu) Xinchang Development Co. Ltd.	**100**	100	RMB	650,000,000	Property development	Chinese mainland
Hongkong Land (Chongqing) Development Co Ltd	**100**	100	RMB	5,669,110,000	Property development	Chinese mainland
Hongkong Land (Chongqing) Hemin Property Development Co Ltd	**100**	–	RMB	1,550,000,000	Property development	Chinese mainland
Hongkong Land (Chongqing) Investment and Holding Co Ltd	**100**	100	USD	2,200,000,000	Investment holding	Chinese mainland
Hongkong Land (Chongqing) Xinchen Development Co Ltd	**100**	100	RMB	900,000,000	Property development	Chinese mainland
Hongkong Land (Chongqing North) Development Co Ltd	**100**	100	HKD	3,980,000,000	Property development	Chinese mainland

* Owned directly

29 Principal Subsidiaries, Associates and Joint Ventures continued

	Attributable interest 2024 %	Attributable interest 2023 %	Issued share capital		Main activities	Place of incorporation
Subsidiaries continued						
Hongkong Land (Chongqing North) Management Co. Ltd.	**100**	100	RMB	207,322,000	Property management	Chinese mainland
Hongkong Land (Chongqing) Xingmao Development Co. Ltd.	**100**	100	RMB	1,610,000,000	Property development	Chinese mainland
Hongkong Land (Chongqing) Xingyi Development Co Ltd	**100**	100	RMB	449,450,000	Property development	Chinese mainland
Hongkong Land (Hangzhou) Heyue Investment and Development Co Ltd	**100**	100	RMB	6,000,000	Property development	Chinese mainland
Hongkong Land (Nanjing) Xuanzhi Development Co. Ltd.	**100**	100	RMB	479,222,000	Property development	Chinese mainland
Hongkong Land (Shanghai) Asset Management Co. Ltd.	**100**	100	RMB	50,000,000	Investment holding	Chinese mainland
Hongkong Land (Shanghai) Zhibin Management Co. Ltd.	**100**	100	RMB	10,000,000	Investment holding	Chinese mainland
Hongkong Land (Wuhan) Xinghui Development Co. Ltd.	**100**	100	RMB	1,500,000,000	Property development	Chinese mainland
Wangfu Central Real Estate Development Company Limited	**84**	84	RMB	3,500,000,000	Property investment	Chinese mainland
Wuhan Dream Land Investment and Development Co. Ltd.	**100**	100	RMB	1,200,000,000	Property development	Chinese mainland
HKL (Esplanade) Pte Limited	**100**	100	SGD	150,000,000	Property investment	Singapore
HKL Treasury (Singapore) Pte. Ltd.	**100**	100	SGD SGD	2 66,555,263#	Finance	Singapore
Hongkong Land (Singapore) Pte. Ltd.	**100**	100	SGD SGD	100,000 505,164,131#	Project management	Singapore
The Hongkong Land Treasury Services (Singapore) Pte. Ltd.	**100**	100	SGD	2	Finance	Singapore
MCL Land Limited	**100**	100	SGD	511,736,041	Investment holding	Singapore
Hongkong Land (Premium Developments) Limited	**100**	100	Riels	61,400,000,000	Property investment	Cambodia
MCL Land (Century Gardens) Sdn. Bhd.	**100**	100	MYR	29,117,145	Investment holding	Malaysia
MCL Land (Malaysia) Sdn. Bhd.	**100**	100	MYR MYR	1,000,000 3,010,000#	Property development	Malaysia
MCL Land (Pantai View) Sdn. Bhd.	**100**	100	MYR	2,000,000	Property investment	Malaysia
MCL Land (Quinn) Sdn. Bhd.	**100**	100	MYR	2,764,210	Property development	Malaysia
HKL (Thai Developments) Limited	**100**	100	Baht	2,592,000,000	Investment holding	Thailand
HKL (Treasury Services) Limited	**100**	100	USD	1	Finance	British Virgin Islands
The Hongkong Land Notes Company Limited	**100**	100	USD	2	Intra-group financing	British Virgin Islands
The Hongkong Land Finance (Cayman Islands) Company Limited	**100**	100	USD	2	Intra-group financing	Cayman Islands

Preference shares

29 Principal Subsidiaries, Associates and Joint Ventures continued

	Attributable interest 2024 %	2023 %	Issued share capital		Main activities	Place of incorporation
Associates and joint ventures						
Normelle Estates Limited	**50**	50	HKD	10,000	Property investment	Hong Kong
Properties Sub F, Limited	**49**	49	MOP	1,000,000	Property investment	Macau
Beijing Landmark Trinity Real Estate Development Co Ltd	**30**	30	RMB	2,800,000,000	Property development	Chinese mainland
Beijing Shouyi Kexin Property Co. Ltd.	**20**	20	RMB	5,500,000,000	Property development	Chinese mainland
Chengdu Ruipeng Property Co. Ltd.	**50**	50	RMB	980,000,000	Property development	Chinese mainland
Chongqing Central Park Co Ltd	**50**	50	HKD	4,640,000,000	Property development	Chinese mainland
Chongqing Lijia Development Co Ltd	**50**	50	RMB	533,596,100	Property development	Chinese mainland
Chongqing Runyi Fenghe Property Development Co. Ltd.	**40**	40	RMB	2,120,000,000	Property development	Chinese mainland
Chongqing Yirun Huacheng Development Co. Ltd.	**50**	50	RMB	1,070,000,000	Property development	Chinese mainland
China West Premier Housing Development Co Ltd	**50**	50	USD	569,960,000	Property development	Chinese mainland
Hangzhou Kesheng Property Development Co Ltd	**30**	30	RMB	100,000,000	Property development	Chinese mainland
Hangzhou Keyi Property Development Co Ltd	**30**	30	RMB	150,000,000	Property development	Chinese mainland
Hongkong Land (Chengdu) Xingyi Development Co. Ltd.	**33**	33	RMB	50,000,000	Property development	Chinese mainland
Hongkong Land (Wuhan) Xingyao Development Co. Ltd.	**50**	50	RMB	430,000,000	Property development	Chinese mainland
Hongkong Land Longfor (Chongqing) Hongmao Development Co Ltd	**50**	50	RMB	100,000,000	Property development	Chinese mainland
Longfor Hongkong Land (Chongqing) Development Co Ltd	**50**	50	RMB	10,000,000	Property development	Chinese mainland
Longfor Hongkong Land (Chongqing) Real Estate Management Co Ltd	**50**	50	RMB	155,000,000	Property management	Chinese mainland
Nanjing Shengxiangyuan Property Development Co Ltd	**48**	48	RMB	4,227,500,000	Property development	Chinese mainland
Nanjing Xinyeezhi Property Development Co Ltd	**50**	50	USD	750,000,000	Property development	Chinese mainland
Nanjing Yeezhi Jiangbei Property Development Co Ltd	**50**	50	RMB	100,000,000	Property development	Chinese mainland
Shanghai Puchen Property Co. Ltd.	**43**	43	RMB	850,000,000	Property development	Chinese mainland
Shanghai Xinqiaogao Development Co Ltd	**27**	27	RMB	4,000,000,000	Property development	Chinese mainland
Shanghai Xujing Property Co Ltd	**50**	50	RMB	4,200,000,000	Property development	Chinese mainland
Shanghai Yibin Property Co. Ltd.	**43**	43	RMB	30,200,000,000	Property investment	Chinese mainland
Shanghai Yihui Development Co Ltd	**50**	50	RMB	305,000,000	Property development	Chinese mainland
Shanghai Zhibin Huizhao Property Co. Ltd.	**34**	34	RMB	1,600,000,000	Property development	Chinese mainland

29 Principal Subsidiaries, Associates and Joint Ventures continued

	Attributable interest 2024 %	2023 %	Issued share capital		Main activities	Place of incorporation
Associates and joint ventures continued						
Suzhou Rongzhi Property Development Co. Ltd.	**40**	40	RMB	400,000,000	Property investment	Chinese mainland
Suzhou Yuanzhi Property Development Co. Ltd.	**53**	53	RMB	1,200,000,000	Property investment	Chinese mainland
Wuhan Yeezhi Minghong Development Co. Ltd.	**66**	66	RMB	600,000,000	Property development	Chinese mainland
Yeezhi Yuexiang (Chongqing) Development Co Ltd	**50**	50	RMB	17,736,869	Property development	Chinese mainland
Asia Radiant Pte. Ltd.	**50**	50	SGD	4,000,000	Property development	Singapore
BFC Development LLP	**33**	33	SGD	N/A	Property investment	Singapore
Central Boulevard Development Pte Ltd	**33**	33	SGD	6	Property investment	Singapore
HC Land (Clementi) Pte. Ltd.	**51**	51	SGD	4,000,000	Property development	Singapore
Golden Ray Edge 3 Pte. Ltd.	**50**	50	SGD	4,000,000	Property development	Singapore
Maximus Commercial SG Pte. Ltd.	**50**	50	SGD	4,000,000	Property development	Singapore
Maximus Residential SG Pte. Ltd.	**50**	50	SGD	4,000,000	Property development	Singapore
One Raffles Quay Pte Ltd	**33**	33	SGD	6	Property investment	Singapore
Taurus Properties SG Pte. Ltd.	**50**	50	SGD	4,000,000	Property development	Singapore
Tembusu Residential Pte. Ltd.	**49**	49	SGD	4,000,100	Property development	Singapore
PT Asya Mandira Land	**50**	50	IDR	3,870,000,000,000	Property development	Indonesia
PT Award Global Infinity	**50**	50	IDR	400,982,000,000	Property development	Indonesia
PT Brahmayasa Bahtera	**40**	40	IDR	166,000,000,000	Property development	Indonesia
PT Bhumi Prama Arjasa	**49**	49	IDR	471,862,750,000	Hotelier	Indonesia
PT Bumi Parama Wisesa	**49**	49	IDR	1,150,000,000,000	Property development	Indonesia
PT Saka Surya Wisesa	**25**	–	IDR	880,000,000,000	Property development	Indonesia
PT Jakarta Land	**50**	50	IDR	998,883,319,544	Property investment	Indonesia
PT Lazuli Karya Sarana	**50**	50	IDR	1,510,000,000,000	Property development	Indonesia
PT Ruby Karya Sejahtera	**38**	38	IDR	2,485,000,000,000	Property development	Indonesia
Sunrise MCL Land Sdn Bhd	**50**	50	MYR	2,000,000	Property development	Malaysia
Central and Hongkong Land Company Limited	**49**	49	THB	5,014,480,000	Property development	Thailand
PFHKL 1 Co., Ltd.	**49**	49	THB	5,000,000	Property development	Thailand
PFHKL 2 Co., Ltd.	**49**	49	THB	5,000,000	Property development	Thailand
PFHKL 3 Co., Ltd.	**49**	49	THB	5,000,000	Property development	Thailand
PFHKL 4 Co., Ltd.	**49**	49	THB	5,000,000	Property development	Thailand
PFHKL 6 Co., Ltd.	**49**	49	THB	5,000,000	Property development	Thailand
Jardine Gibbons Properties Limited	**40**	40	BD BD	600,000 ‘A’ 400,000 ‘B’	Property investment	Bermuda

30 Material Accounting Policies

Basis of consolidation

i) The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the Group's interests in associates and joint ventures.

ii) A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition includes the fair value at the acquisition date of any contingent consideration. The Group recognises the non-controlling interest's proportionate share of the recognised identifiable net assets of the acquired subsidiary. In a business combination achieved in stages, the Group remeasures its previously held interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in profit and loss. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over a previous subsidiary is lost, any remaining interest in the entity is remeasured at fair value and the resulting gain or loss is recognised in profit and loss.

All material intercompany transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated.

iii) An associate is an entity, not being a subsidiary or joint venture, over which the Group exercises significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates and joint ventures are included on the equity basis of accounting.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the consolidated financial statements only to the extent of unrelated investor's interests in the associates and joint ventures.

iv) Non-controlling interests represent the proportion of the results and net assets of subsidiaries and their associates and joint ventures not attributable to the Group.

v) The results of subsidiaries, associates and joint ventures are included or excluded from their effective dates of acquisition or disposal respectively. The results of entities other than subsidiaries, associates and joint ventures are included to the extent of dividends received when the right to receive such dividend is established.

Foreign currencies

Transactions in foreign currencies are accounted for at the exchange rates ruling at the transaction dates.

Assets and liabilities of subsidiaries, associates and joint ventures, together with all other monetary assets and liabilities expressed in foreign currencies, are translated into United States dollars at the rates of exchange ruling at the year end. Results expressed in foreign currencies are translated into United States dollars at the average rates of exchange ruling during the year, which approximate the exchange rates at the dates of the transactions.

Exchange differences arising from the retranslation of the net investment in foreign subsidiaries, associates and joint ventures, and of financial instruments which are designated as hedges of such investments, are recognised in other comprehensive income and accumulated in equity under exchange reserves. On the disposal of these investments, such exchange differences are recognised in profit and loss. All other exchange differences are recognised in profit and loss.

Goodwill and fair value adjustments arising on acquisition of a foreign entity after 1 January 2003 are treated as assets and liabilities of the foreign entity and translated into United States dollars at the rate of exchange ruling at the year end.

30 Material Accounting Policies continued

Impairment of non-financial assets

Assets that have indefinite useful lives are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the assets may be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the units may be impaired. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment annually.

Fixed assets and depreciation

The building component of owner-occupied leasehold properties are stated at cost less accumulated depreciation and impairment. Other fixed assets are stated at cost less amounts provided for depreciation.

Depreciation of fixed assets is calculated on the straight line basis to allocate the cost or valuation of each asset to its residual value over its estimated useful life. The residual values and useful lives are reviewed at each balance sheet date. The estimated useful lives are as follows:

Buildings (remaining useful lives)	49 – 61 years
Hotel property	20 – 30 years
Furniture, equipment and motor vehicles	3 – 10 years

Where the carrying amount of a fixed asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The profit or loss on disposal of fixed assets is recognised by reference to their carrying amount.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i) As a lessee

The Group enters into property leases for use as offices, as well as leases for motor vehicles for use in its operations.

The Group recognises right-of-use assets and lease liabilities at the lease commencement dates, that is the dates the underlying assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes amounts of the initial measurement of lease liabilities recognised, lease payments made at or before the commencement dates less any lease incentives received, initial direct costs incurred and restoration costs. Right-of-use assets are depreciated using the straight-line method over the shorter of their estimated useful lives and the lease terms.

When right-of-use assets meet the definition of investment properties, they are presented in investment properties, and are initially measured at cost and subsequently measured at fair value, in accordance with the Group's accounting policy.

The Group also has interests in leasehold land for use in its operations. Lump sum payments were made upfront to acquire these land interests from their previous registered owners or governments in the jurisdictions where the land is located. There are no ongoing payments to be made under the term of the land leases, other than insignificant lease renewal costs or payments based on rateable value set by the relevant government authorities. These payments are stated at cost and are amortised over the term of the lease which includes the renewal period if the lease can be renewed by the Group without significant cost.

Lease liabilities are measured at the present value of lease payments to be made over the lease terms. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating a lease, if the lease term reflects the Group exercising that option. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Lease liabilities are measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased by the interest costs on the lease liabilities and decreased by lease payments made.

30 Material Accounting Policies continued

Leases continued

i) As a lessee continued

The carrying amount of lease liabilities is remeasured when there is a change in the lease term, or there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise an extension or a termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases. Low value assets comprised IT equipment and small items of office furniture. Short-term leases are leases with a lease term of 12 months or less. Lease payments associated with these leases are recognised on a straight-line basis as an expense in profit and loss over the lease term.

Lease liabilities are classified as non-current liabilities unless payments are within 12 months from the balance sheet date.

ii) As a lessor

The Group enters into contracts with lease components as a lessor on its investment properties. These leases are operating leases as they do not transfer the risk and rewards incidental to the underlying investment properties. The Group recognises the lease payments received under these operating leases on a straight line basis over the lease term as part of revenue in the profit and loss.

Investment properties

Properties including those under operating leases which are held for long-term rental yields or capital gains are classified and accounted for as investment properties, but the business model does not necessarily envisage that the properties will be held for their entire useful life. Investment properties are carried at fair value, representing estimated open market value determined annually by independent qualified valuers who have recent experience in the location and category of the investment property being valued. The market value of commercial properties are calculated on the discounted net rental income allowing for reversionary potential. The market value of residential properties are arrived at by reference to market evidence of transaction prices for similar properties. Changes in fair value are recognised in profit and loss.

Owner-occupied portions of multi-purpose properties are accounted for as fixed assets unless the portion is considered insignificant, in which case this portion is treated as part of investment properties.

Properties for sale

Properties for sale, which comprise land and buildings held for resale, are stated at the lower of cost and net realisable value. The cost of properties for sale comprises land cost, construction and other development costs, and borrowing costs. A portion of the properties for sale is leased out prior to sales to enhance shareholder profitability. These leased properties are classified and accounted for as properties held for sale.

Debtors

Trade debtors are recognised initially at the amount of consideration that is unconditional and measured subsequently at amortised cost using the effective interest method. A contract asset arises if the Group has a right to consideration in exchange for goods or services the Group has transferred to a customer, that is conditional on something other than the passage of time. All other debtors, excluding derivative financial instruments, are measured at amortised cost except where the effect of discounting would be immaterial. For trade debtors and contract assets, the Group applied the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the debtors. Provision for impairment is established by considering potential financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in arriving at operating profit. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit and loss.

Debtors with maturities greater than 12 months after the balance sheet date are classified under non-current assets.

30 Material Accounting Policies continued

Cash and cash bank balances

Cash and deposits with banks, which are restricted in use (Restricted cash and bank balances), are classified as cash and bank balances. If such balances are restricted in use for a period exceeding one year, they are classified as part of other debtors.

For the purposes of the cash flow statement, cash and cash equivalents comprise deposits at call with banks and financial institutions, bank and cash balances, and other liquid investments, with original maturities of three months or less, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current borrowings. Restricted cash and bank balances that are not available for use within three months from the balance sheet date are excluded from cash and cash equivalents.

Provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligations can be made.

Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method.

Borrowing costs relating to major development projects are capitalised until the asset is substantially completed. Capitalised borrowing costs are included as part of the cost of the asset. All other borrowing costs are expensed as incurred.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or direct in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Provision for deferred tax is made on the revaluation of certain non-current assets and, in relation to acquisitions, on the difference between the fair value of the net assets acquired and their tax base. Deferred tax is provided on temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Pension obligations

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held in trustee administered funds.

Pension accounting costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the costs of providing pensions are charged to profit and loss spreading the regular cost over the service lives of employees in accordance with the advice of qualified actuaries, who carry out a full valuation of major plans every year. Plan assets are measured at fair value.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the year in which they occur. Past service costs are recognised immediately in profit and loss.

The Group’s total contributions relating to the defined contribution plans are charged to profit and loss in the year to which they relate.

30 Material Accounting Policies continued

Share-based compensation

The Company operates a number of equity-settled employee share award schemes. The fair value of the employee services received in exchange for the grant of the share awards is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards granted as determined on the grant date. At each balance sheet date, the Company revised its estimates of the number of share awards which will be vested free of payment. The impact of the revision of original estimates, if any, is recognised in profit and loss.

Assets held for sale

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are expected to be recovered principally through a sale transaction rather than through continuing use. Once classified as held for sale, assets are no longer amortised or depreciated.

Derivative financial instruments

The Group only enters into derivative financial instruments in order to hedge underlying exposures and not as speculative investments. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss is dependent on the nature of the item being hedged. The Group designates certain derivatives as a hedge of the fair value of a recognised asset or liability (fair value hedge), or a hedge of a forecast transaction or of the foreign currency risk on a firm commitment (cash flow hedge), or a hedge of a net investment in a foreign entity.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that are highly effective, are recognised in profit and loss, along with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit and loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit and loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the cumulative adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit and loss over the residual period to maturity.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that are highly effective, are recognised in other comprehensive income and accumulated in equity under hedging reserves. Changes in the fair value relating to the ineffective portion is recognised immediately in profit and loss. Where the hedged item results in the recognition of a non-financial asset or of a non-financial liability, the deferred gains and losses are included in the initial measurement of the cost of the asset or liability. The deferred amounts are ultimately recognised in profit and loss as the hedged item affects profit and loss. Otherwise, amounts deferred in hedging reserves are transferred to profit and loss in the same periods during which the hedged firm commitment or forecast transaction affects profit and loss. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit and loss within finance cost at the same time as the interest expense on the hedged borrowings. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserves at that time remains in the hedging reserves and is recognised when the committed or forecast transaction ultimately is recognised in profit and loss. When a committed or forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserves is immediately transferred to profit and loss.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IFRS 9. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognised immediately in profit and loss.

Hedges of net investments in foreign entities are accounted for on a similar basis to that used for cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in exchange reserves; the gain or loss relating to the ineffective portion is recognised immediately in profit and loss.

The fair value of derivatives which are designated and qualify as effective hedges are classified as non-current assets or liabilities if the remaining maturities of the hedged assets or liabilities are greater than 12 months after the balance sheet date.

30 Material Accounting Policies continued

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

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.

Earnings per share

Basic earnings per share are calculated on profit attributable to shareholders and on the weighted average number of shares in issue during the year. The weighted average number excludes the shares held by the subsidiaries. For the purpose of calculating diluted earnings per share, profit attributable to shareholders is adjusted for the effects of the conversion of dilutive potential ordinary shares, and the weighted average number of shares is adjusted for the number of shares which are deemed to be issued for no consideration under the share-based long-term incentive plans based on the average share price during the year.

Dividends

Dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date.

Revenue recognition

i) Properties for sale

Revenue from properties for sale is recognised when or as the control of the property is transferred to the customer. Revenue consists of the fair value of the consideration received and receivable, net of value added tax, rebates and discounts. Proceeds received in advance for pre-sale are recorded as contract liabilities. Depending on the terms of the contract and the laws that apply to the contract, control of the property may transfer over time or at a point in time.

If control of the property transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the property.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For properties for sale under development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

ii) Investment properties

Rental income from investment properties are accounted for on an accruals basis over the lease term.

iii) Service income and others

Revenue from property management service and hospitality service are recognised when services are performed provided that the amount can be measured reliably.

31 Standards and Amendments Issued but Not Yet Effective

A number of new standard and amendments effective for accounting periods beginning after 2024 have been published and will be adopted by the Group from their effective dates. The Group is currently assessing the potential impact of these standard and amendments but expects their adoption will not have a significant impact on the Group's consolidated financial statements. The more important standard and amendments that are relevant to the Group are set out below.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026)
These amendments clarify i) the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; ii) further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion; iii) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and iv) update the disclosures for equity instruments designated at fair value through other comprehensive income. The Group is assessing the impact on the Group's consolidated financial statements.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective from 1 January 2027)
The standard requires new presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit and loss. The key new concepts introduced in IFRS 18 relate to i) the structure of the statement of profit and loss with defined subtotals; ii) requirement to determine the most useful structure summary for presenting expenses in the statement of profit and loss; iii) required disclosures in a single note within the financial statements for certain profit and loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and iv) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Group is assessing the changes on presentation and disclosure required in the Group's consolidated financial statements.

32 Financial Risk Management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group's treasury function co-ordinates, under the directions of the board of Hongkong Land Limited, financial risk management policies and their implementation on a group-wide basis. The Group's treasury policies are designed to manage the financial impact of fluctuations in interest rates and foreign exchange rates and to minimise the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps, cross-currency swaps and forward foreign exchange contracts as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies. Financial derivative contracts are executed between third party banks and the Group entity that is directly exposed to the risk being hedged. Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. The effective portion of the change in the fair value of the hedging instrument is deferred into the cash flow hedge reserve through other comprehensive income and will be recognised in profit and loss when the hedged item affects profit and loss. The ineffective portion will be recognised in the profit and loss immediately. In general, the volatility in profit or loss can be reduced by applying hedge accounting.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group assesses whether the derivative designated in each hedging relationship has been and expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

Ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated for hedges of foreign currency purchases, or if there are changes in the credit risk of the Group or the derivative counterparty.

32 Financial Risk Management continued

Financial risk factors continued

i) Market risk

Foreign exchange risk

Entities within the Group are exposed to 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.

Entities in the Group use cross-currency swaps and forward foreign exchange contracts in a consistent manner to hedge firm and anticipated foreign exchange commitments and manage their foreign exchange risk arising from future commercial transactions. The Group does not usually hedge its net investments in foreign operations except in circumstances where there is a material exposure arising from a currency that is anticipated to be volatile and the hedging is cost effective. Group entities are required to manage their foreign exchange risk against their functional currency. Foreign currency borrowings are swapped into the entity's functional currency using cross-currency swaps except where the foreign currency borrowings are repaid with cash flows generated in the same foreign currency. The purpose of these hedges is to mitigate the impact of movements in foreign exchange rates on assets and liabilities and the profit and loss account of the Group.

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. At 31 December 2024, there are no significant monetary balances held by group companies that are denominated in a non-functional currency other than the cross-currency swap contracts with contract amounts of US$2,100.0 million *(2023: US$2,500.0 million)*. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

Since the Group manages the interdependencies between foreign exchange risk and interest rate risk of foreign currency borrowings using cross-currency swaps, the sensitivity analysis on financial impacts arising from cross-currency swaps is included in the sensitivity assessment on interest rates under the interest rate risk section.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of derivative financial instruments such as interest rate swaps. The Group monitors interest rate exposure on a monthly basis by currency and business unit, taking into consideration proposed financing and hedging arrangements. The Group's guideline is to maintain 40% to 60% of its gross borrowings in fixed rate instruments. At 31 December 2024, the Group's interest rate hedge was 68% *(2023: 62%)* with an average tenor of six years *(2023: seven years)*. The interest rate profile of the Group's borrowings after taking into account hedging transactions are set out in Note 19.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by using forward rate agreements to a maturity of one year, and by entering into interest rate swaps for a maturity of up to five years. Forward rate agreements and interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Details of derivative financial statements are set out in Note 24.

Fair value interest rate risk is the risk that the value of a financial asset or liability and derivative financial instrument will fluctuate because of changes in market interest rates. The Group manages its fair value interest rate risk by entering into interest rate swaps which have the economic effect of converting borrowings from fixed rates to floating rates, to maintain the Group's fixed rate instruments within the Group's guideline.

32 Financial Risk Management continued

Financial risk factors continued

i) Market risk continued

Interest rate risk continued

At 31 December 2024, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit after tax would have been US$2.4 million higher/lower *(2023: US$1.9 million lower/higher)*, and hedging reserve would have been US$80.6 million higher/lower *(2023: US$103.8 million)*, as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in those interest rates which have the most impact on the Group, specifically the United States, Hong Kong, Chinese mainland and Singapore rates, over the period until the next annual balance sheet date. In the case of effective fair value hedges, changes in fair value of the hedged item caused by interest rate movements balance out in profit and loss account against changes in the fair value of the hedging instruments. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of profit after tax sensitivities. Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity-related sensitivity calculations.

ii) Credit risk

The Group's credit risk is primarily attributable to deposits with banks, credit exposures to customers and derivative financial instruments with a positive fair value. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group manages its deposits with banks and financial institutions and transactions involving derivative financial instruments by monitoring credit ratings and capital adequacy ratios of counterparties, and limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. Similarly transactions involving derivative financial instruments are with banks with sound credit ratings and capital adequacy ratios. In developing countries it may be necessary to deposit money with banks that have a lower credit rating, however the Group only enters into derivative transactions with counterparties which have credit ratings of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

In respect of credit exposures to customers, the Group has policies in place to ensure that investment properties are leased principally to corporate companies with appropriate credit history, and rental deposits in the form of cash or bank guarantee are usually received from tenants. The Group receives progress payments from sales of residential properties to individual customers prior to the completion of transactions. In the event of default by customers, the Group undertakes legal proceedings to recover the property. Amounts due from associates and joint ventures are generally supported by the underlying assets.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance.

32 Financial Risk Management continued

Financial risk factors continued

iii) Liquidity risk

Prudent liquidity risk management includes managing the profile of debt maturities and funding sources, maintaining sufficient cash, and ensuring the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group's ability to fund its existing and prospective debt requirements is managed by maintaining diversified funding sources with adequate committed funding lines from high quality lenders, and by monitoring rolling short-term forecasts of the Group's cash and gross debt on the basis of expected cash flows. In addition long-term cash flows are projected to assist with the Group's long-term debt financing plans.

At 31 December 2024, total committed and uncommitted borrowing facilities amounted to US$8,340.6 million *(2023: US$9,672.0 million)* of which US$6,165.3 million *(2023: US$6,567.2 million)* was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities, totalled US$1,970.9 million *(2023: US$2,895.2 million)*. Undrawn uncommitted facilities in the form of revolving credit loan facilities, amounted to US$204.4 million *(2023: US$209.6 million)*.

The following table analyses the Group's non-derivative financial liabilities, including borrowings, trade and other creditors, tenants' deposits, lease liabilities and gross-settled financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within one year US$m	Between one and two years US$m	Between two and three years US$m	Between three and four years US$m	Between four and five years US$m	Beyond five years US$m	Total undiscounted cash flows US$m
2024							
Borrowings	**1,033.9**	**629.1**	**951.4**	**734.1**	**443.8**	**3,548.8**	**7,341.1**
Creditors	**1,343.6**	**891.1**	**38.0**	**20.4**	**9.5**	**44.5**	**2,347.1**
Gross settled derivative financial instruments							
– inflow	**670.4**	**49.5**	**49.5**	**49.5**	**49.5**	**1,598.5**	**2,466.9**
– outflow	**(669.4)**	**(50.2)**	**(50.2)**	**(50.2)**	**(50.2)**	**(1,598.9)**	**(2,469.1)**
2023							
Borrowings	1,012.6	1,666.9	651.6	372.1	359.0	3,805.6	7,867.8
Creditors	1,415.4	913.9	33.4	22.3	15.7	45.7	2,446.4
Gross settled derivative financial instruments							
– inflow	477.3	670.4	49.5	49.5	49.5	1,648.2	2,944.4
– outflow	(472.4)	(665.1)	(49.8)	(49.8)	(49.8)	(1,638.7)	(2,925.6)

32 Financial Risk Management continued

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst seeking to maximise benefits to shareholders and other stakeholders. Capital is equity as shown in the consolidated balance sheet plus net debt.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, purchase Group shares, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group does not have a defined dividend policy or share repurchase plan.

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less bank balances (including balances classified as asset held for sale). Interest cover is calculated as underlying operating profit and the Group's share of underlying operating profit of associates and joint ventures divided by net financing charges including the Group's share of net financing charges within associates and joint ventures. The Group does not have a defined gearing or interest cover benchmark or range.

The ratios at 31 December 2024 and 2023 are as follows:

	2024	2023
Gearing ratio (%)	**17**	17
Interest cover (times)	**3.6**	4.3

Fair value estimation

i) Financial instruments that are measured at fair value in the balance sheet based on inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly (observable current market transactions)

The fair values of derivative financial instruments are determined using rates quoted by the Group's bankers at the balance sheet date. The rates for interest rate swaps are calculated by reference to market interest rates.

	Observable current market transactions	
	2024	2023
	US$m	US$m
Assets		
Derivative designated at fair value		
– through other comprehensive income	**0.2**	2.7
– through profit and loss	**–**	1.3
	0.2	4.0
Liabilities		
Derivative designated at fair value		
– through other comprehensive income	**(65.8)**	(62.0)

There were no changes in valuation techniques during the year.

32 Financial Risk Management continued

Fair value estimation continued

ii) Financial instruments that are not measured at fair value

The fair values of current debtors, bank balances, current creditors, current borrowings and current lease liabilities are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings are based on market prices or are estimated using the expected future payments discounted at market interest rates. The fair values of non-current lease liabilities are estimated using the expected future payments discounted at market interest rates.

Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 31 December 2024 and 2023 are as follows:

	Fair value of hedging instruments US$m	Financial assets at amortised costs US$m	Other financial liabilities US$m	Total carrying amount US$m	Fair value US$m
2024					
Financial assets measured at fair value					
Derivative financial instruments	**0.2**	**–**	**–**	**0.2**	**0.2**
Financial assets not measured at fair value					
Amounts due from associates and joint ventures	**–**	**1,915.3**	**–**	**1,915.3**	**1,915.3**
Debtors	**–**	**235.9**	**–**	**235.9**	**235.9**
Bank balances	**–**	**1,073.4**	**–**	**1,073.4**	**1,073.4**
	–	**3,224.6**	**–**	**3,224.6**	**3,224.6**
Financial liabilities measured at fair value					
Derivative financial instruments	**(65.8)**	**–**	**(65.8)**	**(65.8)**	**(65.8)**
Financial liabilities not measured at fair value					
Borrowings	**–**	**–**	**(6,165.3)**	**(6,165.3)**	**(5,935.6)**
Creditors	**–**	**–**	**(2,347.1)**	**(2,347.1)**	**(2,347.1)**
	–	**–**	**(8,512.4)**	**(8,512.4)**	**(8,282.7)**
2023					
Financial assets measured at fair value					
Derivative financial instruments	4.0	–	–	4.0	4.0
Financial assets not measured at fair value					
Amounts due from associates and joint ventures	–	2,269.7	–	2,269.7	2,269.7
Debtors	–	245.1	–	245.1	245.1
Bank balances	–	1,195.6	–	1,195.6	1,195.6
	–	3,710.4	–	3,710.4	3,710.4
Financial liabilities measured at fair value					
Derivative financial instruments	(62.0)	–	–	(62.0)	(62.0)
Financial liabilities not measured at fair value					
Borrowings	–	–	(6,566.9)	(6,566.9)	(6,326.5)
Creditors	–	–	(2,446.4)	(2,446.4)	(2,446.4)
	–	–	(9,013.3)	(9,013.3)	(8,772.9)

33 Critical Accounting Estimates and Judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable according to circumstances and conditions available. The existing and potential impacts arising from climate change have been considered when applying estimates and assumptions in the preparation of the financial statements, including the Group's assessment of impairment of assets and the independent valuers' valuation of the Group's investment properties.

The estimates and assumptions that have a significant effect on the reported amounts of assets and liabilities, and income and expenses are discussed below.

Significant areas of estimation uncertainty

Acquisition of subsidiaries, associates and joint ventures

The initial accounting on the acquisition of subsidiaries, associates and joint ventures involves identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entities. The fair values of tangible assets, right-of-use assets and investment properties are determined by independent valuers by reference to market prices or present value of expected net cash flows from the assets. Any changes in the assumptions used and estimates made in determining the fair values, and management's ability to measure reliably the contingent liabilities of the acquired entity will impact the carrying amount of these assets and liabilities.

On initial acquisition or acquisition of further interests in an entity, an assessment of the level of control or influence exercised by the Group is required. For entities where the Group has a shareholding of less than 50%, an assessment of the Group's level of voting rights, board representation and other indicators of influence is performed to consider whether the Group has de facto control, requiring consolidation of that entity, or significant influence, requiring classification as an associate, or joint control, requiring classification as a joint venture.

Investment properties

The fair values of investment properties are determined by independent valuers on an open market for existing use basis calculated on the discounted net income allowing for reversionary potential. For investment properties in Hong Kong, Chinese mainland and Singapore, capitalisation rates in the range of 2.90% to 3.50% for office *(2023: 2.90% to 3.50%)* and 3.50% to 5.00% for retail *(2023: 3.75% to 5.00%)* are used in the fair value determination.

Consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet date and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

The independent valuers have considered climate change, sustainability, resilience and environmental, social and governance (ESG) within their valuations. Properties held by the Group are considered to currently display ESG characteristics that would be expected in the market, and therefore there were no direct and tangible pricing adjustments required to the valuation of investment properties. The Group will monitor these considerations for each reporting period.

Properties for Sale

The Group assesses the carrying amounts of properties for sale held by both subsidiaries and joint ventures according to their estimated net realisable value, taking into account construction costs to complete based on the existing development plans, and an estimation of future selling prices based on properties of comparable locations and conditions. Write-downs are made when events or changes in circumstances indicate that the carrying amounts may not be realised.

Given the significant market volatility in the Chinese mainland property market, the Group considers that selling price is a significant estimate in determining the net realisable value of certain properties for sale.

33 Critical Accounting Estimates and Judgements continued

Significant areas of estimation uncertainty continued

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of its fair value less costs to sell and its value-in-use, calculated on the basis of management's assumptions and estimates. Changing the key assumptions, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the value-in-use calculations.

Significant areas of judgement

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the balance sheet date (see Note 13).

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Provision of deferred tax follows the way management expects to recover or settle the carrying amount of the related assets or liabilities, which the management may expect to recover through use, sale or combination of both. Accordingly, deferred tax will be calculated at income tax rate, capital gains tax rate or combination of both. There is a rebuttable presumption in International Financial Reporting Standards that investment properties measured at fair value are recovered through sale. Thus deferred tax on revaluation of investment properties held by the Group are calculated at the capital gain tax rate.

Recognition of deferred tax assets, which principally relate to tax losses, depends on the management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

Revenue recognition

The Group uses the percentage of completion method to account for its contract revenue of certain properties sales. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and the work of specialists.

Non-trading items

The Group uses underlying business performance in its internal financial reporting to distinguish between the underlying profits and non-trading items. The identification of non-trading items requires judgement by management, but follows the consistent methodology as set out in the Group's accounting policies.

Independent Auditor's Report

To the Members of Hongkong Land Holdings Limited

(incorporated in Bermuda with limited liability)

Report on the Audit of the Consolidated Financial Statements

Opinion

What we have audited

The consolidated financial statements of Hongkong Land Holdings Limited (the 'Company') and its subsidiaries (the 'Group'), included within the Annual Report, which comprise:

- the Consolidated Balance Sheet at 31 December 2024;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended; and
- the Notes to the Financial Statements, comprising material accounting policy information and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the consolidated financial statements. These disclosures are cross-referenced from the consolidated financial statements and are identified as audited.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our Audit Approach

Overview

Materiality

- Overall Group materiality: US$299 million *(2023: US$319 million)*, based on 1% *(2023: 1%)* of the net assets.
- Specific Group materiality, applied to balances and transactions not related to investment properties: US$26 million *(2023: US$42 million)*, based on 5% *(2023: 5%)* of consolidated underlying profit before tax of the Group.

Audit scope

- Full scope audits were performed on 16 subsidiaries. These subsidiaries, together with procedures performed on centralised functions and at the Group level, accounted for 89% of the Group's revenue, 85% of the Group's loss before tax, 75% of the Group's underlying profit before tax and 79% of the Group's net assets.
- Full scope audits of 14 joint ventures were also performed, which accounted for a further 13% of the Group's loss before tax, 22% of the Group's underlying profit before tax and 16% of the Group's net assets.

Our Audit Approach continued

Key audit matters identified in our audit are summarised as follows:

- Valuation of investment properties held by the Group and its joint ventures; and
- Recoverability of properties for sale held by the Group and its joint ventures.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall group materiality	US$299 million *(2023: US$319 million)*
How we determined it	1% of net assets of the Group *(2023: 1% of net assets of the Group)*
Rationale for the materiality benchmark applied	A key determinant of the Group's value is investment property. As net assets is the primary measure used by the shareholders in assessing the performance of the Group, we set an overall Group materiality level based on net assets.

We set a specific materiality level of US$26 million *(2023: US$42 million)*, which was applied to balances and transactions not related to investment properties. This was based upon 5% of the Group's consolidated underlying profit before tax for the year ended 31 December 2024 *(2023: 5% of the Group's consolidated underlying profit before tax for the year ended 31 December 2023*). In arriving at this judgement, we had regard to the fact that underlying profit is one of the primary financial indicators of the Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit in respect of the investment property related items above US$10 million *(2023: US$12 million*) as well as misstatements below this amount that in our view, warranted reporting for qualitative reasons. For all other account balances and transaction, we agreed with the Audit Committee that we would report to them misstatements identified during our audit above US$1.3 million *(2023: US$2.1 million)* as well as misstatements below this amount that in our view, warranted reporting for qualitative reasons.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters continued

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties held by the Group and its joint ventures Refer to Note 33 (Critical Accounting Estimates and Judgements), Note 11 (Investment Properties) and Note 12 (Associates and joint ventures) to the consolidated financial statements. The fair value of the Group's investment properties amounted to US$24,759.9 million at 31 December 2024, with a revaluation loss of US$1,887.6 million recognised as a non-trading item in the Consolidated Profit and Loss Account for the year. The Group's property portfolio principally consists of commercial properties. The Group also has significant interest in investment properties held by its joint ventures. The valuation of the Group's investment property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location, prevailing market rents and the expected future rentals for that particular property. The valuations were carried out by third party valuers (the 'valuers'). The valuers were engaged by the management, and performed their work in accordance with the International Valuation Standards. Valuations of the commercial properties were principally derived using the income capitalisation method. There is inherent estimation uncertainty in determining a property's valuation as the valuers and management make assumptions in key areas, in particular in respect of capitalisation rates and prevailing market rents. We focused on the valuation of investment properties due to the significant judgements and estimates involved in determining the valuations.	We understood management's controls and processes for determining the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied. We assessed the valuers' qualifications and their expertise and read the terms of engagement with the group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work. We found no evidence to suggest that the objectivity of the valuers in their performance of the valuations was compromised. Our work focused on the highest value properties in the portfolio, in particular the commercial properties located in Hong Kong. We read a sample of the valuation reports covering the majority of the Group's investment property portfolio to consider whether the valuation methodology used was appropriate in determining the fair value. We performed testing, on a sample basis, of the input data used in the valuations to satisfy ourselves of the accuracy of the property information supplied to the valuers by management, for example agreeing lease data to tenancy agreements and other supporting documents. We evaluated the key controls over the valuation of the investment property portfolio, including the data used in the valuations. With the support of our valuation experts, we attended meetings with the valuers at which the valuations, methodology and key assumptions used, and climate change risk considerations were discussed. We compared the capitalisation rates used by the valuers with an estimated range of expected rates, determined via reference to published benchmarks and market information. We evaluated the year-on-year movements in fair value with reference to publicly available information and rentals with reference to prevailing market conditions. We evaluated whether the capitalisation rates and prevailing market rents used were appropriate in light of the evidence provided by relevant recent transactions. With the support of our valuation experts, we also questioned the external valuers regarding the recent market transactions and expected rental values used in their valuations and the extend to which they took into account the impact of climate change and related ESG considerations. Based on the procedures performed, we found the key assumptions used in the valuations were appropriate. We also assessed the adequacy of the disclosures related to investment properties and related fair value measurements in the context of IFRS Accounting Standards. We are satisfied that appropriate disclosure has been made.

Key Audit Matters continued

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverability of properties for sale held by the Group and its joint ventures Refer to Note 33 (Critical Accounting Estimates and Judgements), Note 15 (Properties for sale) and Note 12 (Associates and joint ventures) to the consolidated financial statements. The carrying amount of the Group's properties for sale amounted to US$2,359.7 million at 31 December 2024. The Group also has significant interest in properties for sale held by its joint ventures. Management assessed the recoverability of the properties for sale held by the Group and its joint ventures based on estimates of the net realisable values of the underlying properties. The determination of these net realisable values involved making estimates in respect of: the expected selling prices of the properties based on prevailing market conditions, such as current market prices for properties of comparable location and condition; estimated costs necessary to make the sales; and the estimated construction costs required to complete the properties based on existing development plans, where applicable. Where the estimated net realisable value of the underlying properties were determined to be below the carrying value due to changes in market conditions and/or significant variations in the development plans, write-down provisions were recorded during the year totalling US$146.9 million attributable to subsidiaries and US$178.2 million attributable to joint ventures. We focused on the recoverability of properties for sale due to the significant judgements and estimates involved in determining the estimated net realisable values for certain properties as a result of changes in market conditions.	We understood management's controls and processes for determining the net realisable value of properties for sale and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied. We understood key controls over cost budgeting and monitoring for estimated costs to complete. We evaluated management's assessments of the recoverability of properties for sale, and assessed the reasonableness of key assumptions and estimates used. We compared, on a sample basis, estimated selling prices to the contracted selling prices of the underlying properties, management-approved prices lists and/or latest market prices of properties in comparable locations and condition. We assessed the reasonableness of estimated costs necessary to make the sales with reference to historical benchmarks and market information. We assessed the reasonableness of estimated costs to complete the properties by agreeing the total costs to the latest approved budget and tested, on a sample basis, the estimated construction costs to committed contracts and other supporting information. Based on the procedures performed, we found the key assumptions applied in determining the net realisable values of the underlying properties to be appropriate.

How We Tailored Our Group Audit Scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industries in which the Group operates.

The Group's accounting processes are structured around finance functions which are responsible for their own accounting records and controls, which in turn report financial information to the Group's finance function to enable it to prepare consolidated financial statements.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by members of the Group engagement team or by component auditors from member firms within the PwC Network and other auditors operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement necessary for us to have in the audit work at those components to be able to conclude whether sufficient, appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole. The Group engagement team was involved in the significant reporting entities in scope for Group reporting during the audit cycle through a combination of meetings, visits and conference calls. The engagement partner and other senior team members undertook a number of visits to Shanghai and Chengdu during the year to direct and oversee the audit, along with regular communication through conference calls and on site review of the work of component teams in those locations.

Full scope audits of the complete financial information was performed for 16 subsidiaries. These subsidiaries, together with procedures performed on centralised functions and at the Group level (on the consolidation and other areas of significant judgement), accounted for 89% of the Group's revenue, 85% of the Group's loss before tax, 75% of the Group's underlying profit before tax and 79% of the Group's net assets. Full scope audits of the complete financial information were also performed for 14 joint ventures, which accounted for a further 13% of the Group's loss before tax, 22% of the Group's underlying profit before tax and 16% of the Group's net assets.

This gave us the evidence we needed for our opinion on the consolidated financial statements as a whole.

Other Information

The Directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

As explained more fully in the Responsibility Statements and the Corporate Governance section in the Annual Report, the Directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the Directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements continued

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this Report

This report, including the opinion, has been prepared for and only for the Company’s members as a body in accordance with Section 90 of the Companies Act 1981 (Bermuda) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the Company, save where expressly agreed by our prior consent in writing.

The engagement partner on the audit resulting in this independent auditor’s report is Ng Ka Ho.

Other Matter

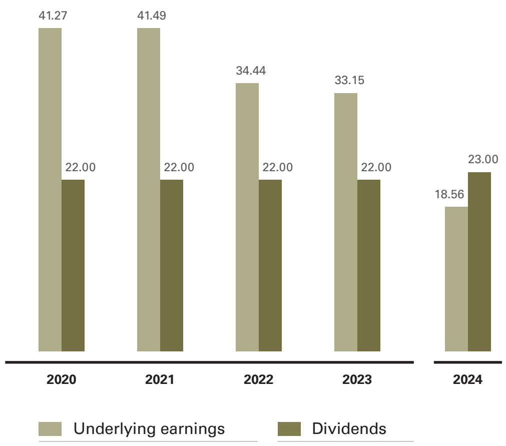
The Company is required by the United Kingdom Financial Conduct Authority Disclosure Guidance and Transparency Rule to include these consolidated financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditor’s report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
7 March 2025

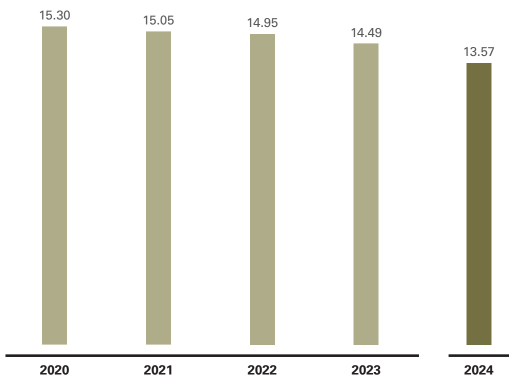
Five Year Summary

	2020 US$m	2021 US$m	2022 US$m	2023 US$m	**2024** **US$m**
Profit/(loss) attributable to shareholders	(2,647)	(349)	203	(582)	**(1,385)**
Underlying profit attributable to shareholders	963	966	776	734	**410**
Investment properties	30,083	28,600	28,054	26,687	**24,760**
Net debt	4,568	5,104	5,817	5,371	**5,088**
Shareholders' funds	35,709	34,584	33,303	31,965	**29,940**

	US$	US$	US$	US$	**US$**
Net asset value per share	15.30	15.05	14.95	14.49	**13.57**



Underlying earnings/dividends per share (US¢)



Net asset value per share (US$)

Responsibility Statements

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

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 this 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

Michael Smith
Craig Beattie
Directors
7 March 2025

Corporate Governance

Overview of the Group's Governance Approach

The Hongkong Land Group (Hongkong Land Holdings Limited (the Company) and its subsidiaries together known as the Group) understands the value of good corporate governance in driving the long-term sustainable success of its business. It attaches importance to the corporate stability that strong governance brings, and the opportunities that result from it being part of the Jardine Matheson Holdings Limited (the Jardine Matheson) group.

The Group is committed to high standards of governance. The system of governance it has adopted has been developed, over many years, by the members of the Jardine Matheson group, and both the Group and its stakeholders regard it as appropriate to the nature of its business and the long-term strategy it pursues in its markets in Asia's gateway cities. The Group's governance framework is tailored to its size, ownership structure, the complexity and breadth of its business. It enables the Group to benefit from Jardine Matheson's professional expertise while at the same time ensuring that the independence of the Board is respected and clear operational accountability rests with the Company's executive management.

The Company also ensures that the Group continues to demonstrate the characteristics and values that have enabled the Group to prosper over the long-term:

- **A long-term perspective** – the Group takes a long-term view in its decision-making and investments, drawing on the expertise and experience of our directors, and does not focus on short-term profits. This leads to long-term, sustainable growth for our shareholders and benefits the communities where we operate.
- **Credibility, stability and trust** – the credibility, stability and trust built up by the Group over many generations, are highly valued by our partners and other stakeholders.
- **Deep knowledge of our markets** – the extensive experience and long track record of the Group have led to a deep understanding of how to drive successful growth across our markets, giving the Group a competitive advantage.

The Group believes that its stakeholders gain significant value from the long-term approach it takes. It is also important, however, to adapt to changing circumstances in our markets and, where appropriate, to the developing expectations of stakeholders and changes in best practice. In this context, over the past year, the Group has strengthened the Company's Board and leadership teams, bringing in expertise to support our businesses in highly dynamic and competitive markets. In parallel, we have continued to enhance our approach to governance, to be more focused and to drive better decision-making and results.

In order to ensure clear allocation of accountability, the strengthened leadership team is responsible for developing and executing the Group's business strategies and delivering on performance. The leadership team is directly accountable to the Board, which provides robust challenge, support and guidance, bolstered by extensive industry-specific expertise and experience from independent non-executive directors (the INEDs).

INEDs with a broad and diverse range of backgrounds are a valuable source of external perspectives and are a key element of good governance and decision-making. The Company has taken further steps over the past year to increase the independence and diversity of its Board.

During the year and subsequent to the end of the year under review, the Company underwent several changes in its governance. John Witt was appointed as the Chairman, succeeding Ben Keswick, on 28 October 2024. On the same day, Christina Ong stepped down from the Board, and Graham Baker and Adam Keswick also resigned as members of the Remuneration Committee and Nominations Committee respectively. The Company appointed Ming Mei as an additional INED on 10 October 2024, and further appointed him as a member of the Investment Committee, Remuneration Committee and Nominations Committee on 28 October 2024. On 5 March 2025, the Company further announced Stuart Grant will resign from the Board and the Audit and Investment Committees at the Company's upcoming AGM. Stuart Grant has been appointed executive director & chief executive, Westbund Central with effect from 30 June 2025. As a result of these changes, as at 7 March 2025, the Board comprises eight Directors, of whom 25% are considered INEDs, taking into account the independence considerations under the UK Corporate Governance Code (the Code), and 12.5% are female.

Having an effective corporate governance framework supports the Board in delivering the Group's strategy and fosters long-term sustainable growth, and ensures it operates transparently and in accordance with the best practice.

Group Structure

Jardine Matheson is the ultimate holding company of the Group. The structural relationship between the Jardine Matheson group and the Group is considered a key element of the Group's success. By establishing common values and standards, and sharing experience, contacts and business relationships, the Jardine Matheson group companies, including the Group, aim to optimise their opportunities across the Asian countries in which they operate.

Governance and Legal Framework

The Company is incorporated in Bermuda with most of its property interests held entirely in Asia. The primary listing of the Company's equity shares is in the Equity Shares (Transition) Category (the Transition Category) of the Main Market of the London Stock Exchange (LSE). The Company also has secondary listings in Singapore and Bermuda. As the Company has only secondary listings on these exchanges, many of the listing rules of such exchanges are not applicable. Instead, the Company must release the same information in Singapore and Bermuda as it is required to release under the rules which apply to it as a result of being listed in the Transition Category on the LSE.

As a company incorporated in Bermuda, the Company is governed by:

- The Bermuda Companies Act 1981 (the Bermuda Companies Act);
- The Bermuda Hongkong Land Holdings Limited Consolidation and Amendment Act 1988 (as amended), pursuant to which the Company was incorporated, and the Bermuda Hongkong Land Holdings Limited Regulations 1993 (as amended, the Regulations) were implemented; and
- The Company's Memorandum of Association and Bye-Laws.

The Bermuda Takeover Code for the Company is set out in the Regulations and is based on the UK City Code on Takeovers and Mergers. It provides an orderly framework within which takeover offers can be conducted and the interests of shareholders protected.

Other acquisition mechanisms available under the Bermuda Companies Act include schemes of arrangement and amalgamation and mergers. The Bermuda Companies Act provides a framework within which such procedures can be conducted and the interests of shareholders protected.

The shareholders can amend the Company's Bye-Laws by way of a special resolution at a general meeting of the Company. The Company will modernise the provisions in the Bye-Laws and seek shareholders' approval at the 2025 annual general meeting (AGM) for the adoption of the new Bye-Laws.

The Company's listing in the Transition Category of the LSE means that it is bound by many, but not all, of the same rules as companies which fall within the Equity Shares (Commercial Companies) categories (the Commercial Companies Category) of the LSE, under the UK Listing Rules, the Disclosure Guidance and Transparency Rules (DTRs) issued by the Financial Conduct Authority in the United Kingdom (FCA), the UK Market Abuse Regulation (MAR) and the Prospectus Regulation Rules. This includes rules relating to continuous disclosure, periodic financial reporting, disclosure of interests in shares, market abuse and the publication and content of prospectuses in connection with admission to trading or the offering of securities to the public. In addition, the Company is subject to regulatory oversight from the FCA, as the Company's principal securities regulator, and is required to comply with the Admission and Disclosure Standards of the Main Market of the LSE.

The Company and its Directors are also subject to legislation and regulations in Singapore relating, among other things, to insider dealing.

When the shareholders approved the Company's move to a standard listing from a premium listing in 2014, the Company stated that it intended to maintain certain governance principles, which were applicable to it at that time by virtue of its UK premium listing. As a result, the Company adopted a number of governance principles (the Governance Principles) based on the applicable requirements for a UK premium listing in 2014, which went further than the standard listing requirements at the time.

Following the FCA's recent reform of the UK listing regime, including the introduction of new UK Listing Rules which came into effect on 29 July 2024 (the UK Listing Rules), the replacement of the previous UK premium and standard segments of the Official List of the FCA with the Commercial Companies Category and the transfer of the listing of the Company's equity shares to the new Transition Category, the Company has undertaken a review of the Governance Principles to ensure they remain appropriate and take into account market practice.

Following such review, the Board considers that certain amendments to the Governance Principles are appropriate to align more closely with, and have regard to, the UK Listing Rules that other UK listed companies are subject to and to reflect the modernisation of the governance of the Company. With immediate effect, the Company intends to have regard to the UK Listing Rules (as in effect on 29 July 2024) applicable to the Commercial Companies Category, when applying the Governance Principles in relation to significant transactions and related party transactions.

This means that the key elements of the Governance Principles are now updated as follows:

- If the Company carries out a related party transaction which, if its shares were listed on the Commercial Companies Category would require a sponsor to provide a fair and reasonable opinion under the provisions of the UK Listing Rules, it will engage an independent financial adviser to confirm that the terms of the transaction are fair and reasonable as far as the shareholders of the Company are concerned.
- If the Company carries out such a related party transaction or a significant transaction (one that would be classified as a significant transaction under the provisions of the UK Listing Rules), as soon as reasonably practical after the terms are agreed, the Company will issue an announcement, providing such details of the transaction as are necessary for investors to evaluate the effect of the transaction on the Company.
- At each AGM, the Company will seek shareholders' approval to issue new shares on a non-pre-emptive basis for up to 33% of the Company's issued share capital, of which new shares representing up to 5% of the Company's issued share capital can be issued for cash consideration.
- The Company adheres to a set of Securities Dealing Rules which follow the provisions of MAR with respect to market abuse and disclosure of interests in shares.

The Company is not required to comply with the Code, which applies to all Commercial Companies Category issuers and sets out the governance principles and provisions expected to be followed by companies subject to the Code. However, the Company does have regard to the Code in developing and implementing its approach to corporate governance and disclosure.

The Management of the Group

The Board

The Board is responsible for ensuring that the Group is appropriately managed and achieves its strategic objectives in a way that is supported by the right culture, values and behaviours. The Group's culture provides the foundation for the delivery of our strategy and our long-term, sustainable success. Our workforce policies and practices are consistent with and support our culture. Periodic colleague surveys are conducted to assess the culture and enable management to identify actions that could be taken to further improve our culture.

The Board is also responsible for ensuring that appropriate systems and controls are in place to enable efficient management and well-informed decision-making. Our business processes incorporate efficient internal reporting, robust internal controls, and supervision of current and emerging risk themes, all of which form a vital part of our governance framework. As a key part of this, the Company Secretary has set up processes and systems to ensure that all Directors receive information in a timely, accurate and clear manner. We use a board paper distribution portal to disseminate board and committee papers securely to Directors.

The Chairman facilitates discussions at Board meetings, by ensuring all Directors have an opportunity to make comments and ask questions. In addition, the Chairman discusses matters with Directors individually and collectively outside of Board meetings. The Chairman also uses other gatherings of the Directors, such as Board dinners, to facilitate discussions in a less formal environment.

The Board has full power to manage the Company's business affairs, other than matters reserved to be exercised by the Company in the general meeting under Bermuda legislation or the Company's Bye-Laws. Key matters for which the Board is responsible include:

- The overall strategic aims and objectives of the Group;
- Establishing the Company's purpose and values;
- Approval of the Group's strategy and risk appetite to align with the Group's purpose and values;
- Approval and oversight of the Group policy framework and approval of appropriate Group policies;
- Approval of the Annual Budget and monitoring of performance against it;
- Oversight of the Group's activities;
- Approval of major changes to the Group's corporate or capital structure;
- Approval of major capital expenditure and significant transactions in terms of size or reputational impact;
- Approval of interim and final financial statements, Annual Report and Accounts and interim management statements, upon recommendation from the Audit Committee;
- Approval of dividend policy and the amount and form of interim and final dividend payments, for approval by shareholders as required;
- Ensuring relevant sustainability and environmental, social, and governance (the ESG) matters are incorporated into purpose, governance, strategy, decision-making and risk management, and approving the annual Sustainability Report issued by the Group;
- Overseeing the management of risk within the Group;
- Any significant changes to the Company's accounting policies or practices, upon recommendation from the Audit Committee;
- Appointment, re-appointment or removal of the external auditor, subject to shareholders' approval, upon recommendation from the Audit Committee;
- Approval of matters relating to the AGM resolutions and shareholder documentation;
- Approval of all shareholder circulars, prospectuses and listing particulars issued by the Company; and
- Approval of material public announcements concerning matters decided by the Board.

Responsibility for certain matters, including the approval of borrowing facilities and capital expenditure (other than major capital expenditure required to be approved by the Board), has been delegated by the Board to the Investment Committee and the group finance director of the Jardine Matheson group with specific written terms of reference outlining his role and authorities.

The Company sees the value of regularly reviewing the effectiveness of its processes and making improvements where appropriate.

The Board continued

Board activities

Set out below is a summary of the key areas of activity of the Board:

1. Strategy

To facilitate oversight and provide opportunities for the Board to challenge and measure progress against the Group's strategic priorities, at each Board meeting, the Chief Executive and Chief Financial Officer provide updates on the operational and financial performance of the Group.

2. Operational Performance

The Group operates in highly dynamic markets and constantly need to innovate and adapt to remain relevant and achieve long-term, sustainable success. In the past years, Asia has seen a large influx of new capital, the rapid rise of new economy companies and changes in customer and tenant expectations. In response, we have put innovation, operational excellence and an entrepreneurial spirit at the heart of everything we do.

At each Board meeting, an update is provided on the operational performance of each business segment, which offers important insights into the opportunities and challenges faced. In addition, Directors are provided with a deeper understanding of how our varied markets function and the implications for stakeholder-related issues in order to equip the Board with the necessary perspective to enhance strategic decision-making.

3. Supporting leadership teams and colleagues

The Group attaches great importance to attracting, developing and retaining leadership talent. We strive to develop leaders who are entrepreneurial in how they develop their businesses.

The Group is focused on enhancing performance management structures to recognise, reward and retain talent, with incentives aligned to drive shareholder value by building better, stronger businesses.

The Company is also committed to creating an inclusive workplace which reflects the diversity of the communities we serve.

The Board is provided with regular people updates to enable it to support talent attraction, development and retention, and the progress of Inclusion, Equity and Diversity (the IE&D) and colleague engagement initiatives.

4. Financial performance and risk

The Board oversees the actions the Company takes to deliver superior, long-term returns for our shareholders from our market-leading businesses. We aim for decisive management built on a disciplined, long-term approach to capital allocation and investment expertise, to maximise financial performance, maintain our financial strength and manage risks. Over time, and in addition to be being part of the Jardine Matheson group of businesses, we have developed deep relationships with a wide range of well-capitalised, leading banks and corporate partners, which support the Group's financial strength.

Our approach is underpinned by the Company always seeking to maintain a strong balance sheet and liquidity position. This has enabled the Group to move with confidence in making some of our most substantial acquisitions at times of market dislocation.

The Chief Financial Officer presents a detailed overview of the financial performance of the Group at each Board meeting, to ensure that Directors are provided with sufficient information to enable them to provide the appropriate financial oversight, and have the opportunity to challenge management as appropriate. The information provided includes details of the financial performance of each business unit.

The Board also reviews the Group's capital allocation approach, dividend policy and shareholder returns, as well as the management of Group debt levels, interest cover and capital markets activities.

The Board has overall responsibility for risk management and is actively engaged in regular discussions about the principal risks faced by the Group. The Audit Committee, on behalf of the Board, undertakes an annual assessment of the effectiveness of the management of the principal risks facing by the Group and actions taken to mitigate them, validating the key risks and approving any necessary actions arising from the risk assessments. This process takes into account the key risks faced, and the risk management approach taken, by the Group.

Maintaining and enhancing the risk and internal control environment is fundamental to the Group's governance framework and the Board's stewardship of the Company.

The Board continued

Board activities continued

5. Governance and stakeholder engagement

A range of governance matters are discussed at Board meetings, including Directors' and officers' insurance, litigation, regulatory changes, review and approval of statutory reporting and shareholder documentation and governance-related matters.

The Chief Financial Officer provides Directors with regular updates on stakeholder engagements, including engagement with shareholders, governments and other relevant third-parties, and relevant regulatory developments. Increasing the Directors' understanding of stakeholder views and priorities, and the actions being taken by the Group to address them, supports the Board's decision-making.

Updates from the Chief Financial Officer provide the Board with feedback on investor views and expectations, visibility of market conditions, share price performance, shareholder returns and the future outlook.

The Chief Financial Officer provides the Board with Sustainability updates twice a year, which include the progress being made by the Group in progressing sustainability priorities including achieving climate action objectives, particularly in relation to decarbonisation, as well as updates on responsible consumption and social inclusion initiatives.

The Committee Chairs provide updates on the activities of the Committees at the Board meeting following each Committee meeting.

Board Composition and Operational Management

The Board's composition and the way it operates provide stability, allowing the Company to take a long-term view as it seeks to grow its business and pursue investment opportunities.

The Chairman has been appointed in accordance with the provisions of the Bye-Laws of the Company, which provide that the chairman of Jardine Matheson, or any Director nominated by him, shall be the Chairman of the Company.

The presence of Jardine Matheson representatives on the Company's Board and its Committees of the Company, provides an added element of stability to the Company's financial planning and supervision, enhancing its ability to raise finance and take a long-term view of business development. It also strengthens the ability of management to work effectively together in exploiting the full range of the Jardine Matheson group's commercial strengths.

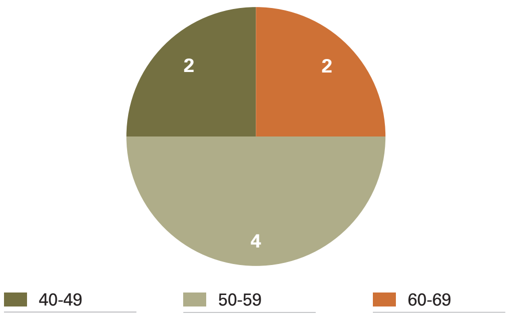
As at 7 March 2025, the Company comprises eight Directors, two of whom (25%) – Lincoln K.K. Leong and Ming Mei are considered as independent taking into account the relevant considerations under the Code. On 5 March 2025, the Company announced the appointment of Stuart Grant as executive director & chief executive, Westbund Central, with effect from 30 June 2025. Stuart Grant will step down from the Company's Board (and the Audit and Investment Committees) at the Group's AGM in May, before assuming his new role.

There were a number of Board changes during the year: Anthony Nightingale and Y.K. Pang retired from the Board on 31 January 2024 and 31 March 2024 respectively. Michael Smith succeeded Robert Wong as Chief Executive on 31 March 2024. On 10 October 2024, Ming Mei was appointed as INED. John Witt was appointed as the Chairman, succeeded Ben Keswick on 28 October 2024. On the same day, Christina Ong stepped down from the Board. There are detailed plans in place to ensure orderly succession for the Board. The names of all the Directors and brief biographies appear on pages 22 and 23 of this Annual Report.

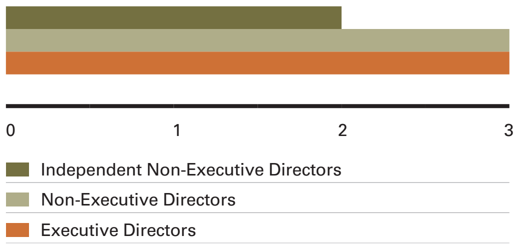
Board Composition and Operational Management continued

The Board has considered that there is a clear division of responsibilities among the Chairman and the Chief Executive to ensure an appropriate balance of power and authority is maintained at all times.

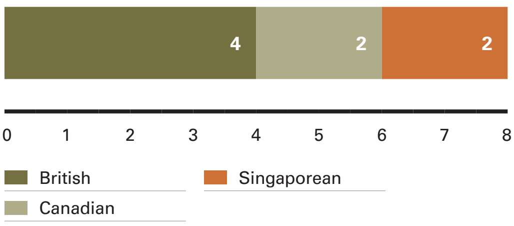
Board composition as at 7 March 2025:



Age of Directors

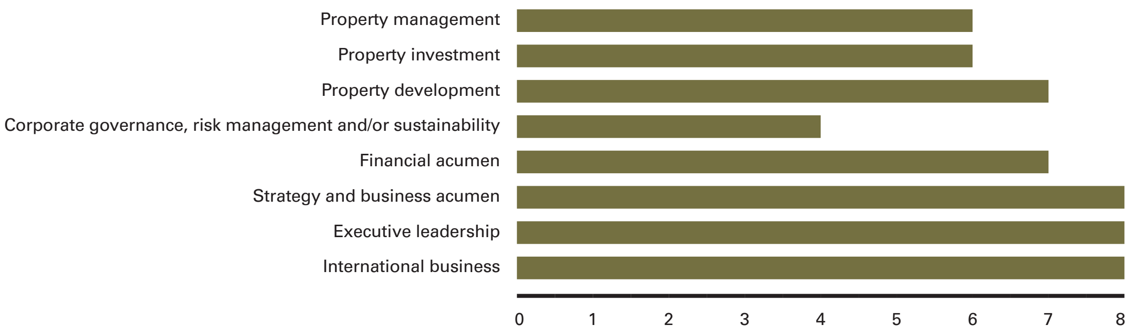


Capacity of Directors



Nationality of Directors

Tenure of Directors



Directors' experience

Board Composition and Operational Management continued

The Board has considered the diversity of the Company's Board and executive management in the context of the requirements under the UK Listing Rules that UK listed companies should publish information on the gender and ethnic representation of their Board and executive management. As at 31 December 2024, being the reference date for the purposes of 22.2.30R(1)(a) of the UK Listing Rules which require the disclosure of certain diversity statistics, and as shown below:

- The Board met its target of having one Director from a minority ethnic background;
- The Company does not currently meet the target of the Board comprising at least 40% female directors, but will continue to take IE&D considerations into account for future Board appointments; and
- The Board does not currently meet the target to have a female director occupying one of the senior Board positions (Chairman, Chief Executive or Chief Financial Officer). The Directors who hold these roles were appointed following formal, rigorous and transparent nomination procedures and are the most suitable and experienced individuals for their roles and the Group's needs. The Board will continue to take IE&D considerations into account for future appointments for these roles.

The Company did not meet the targets under the UK Listing Rules of the Board comprising at least 40% female directors, and having one of the senior Board positions occupied by a female director, due to the significant change to the composition of the Board and executive management which would be required to meet these requirements.

The Company will continue to take IE&D considerations into account with respect to future appointments of Directors and executive management positions.

The table below, which follows the format and categories prescribed by the UK Listing Rules, illustrates the ethnic background and gender diversity of the Board and executive management – which includes the Company Secretary, but excludes administrative or support staff – pursuant to 22.2.30R(2) of the UK Listing Rules, as at 31 December 2024, which is our chosen reference date in accordance with the UK Listing Rules.[1]

As at 31 December 2024	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chairman, Chief Executive and Chief Financial Officer)	Number in executive management (including Company Secretary)	Percentage of executive management (including Company Secretary)
Gender diversity					
Men	7	87%	3	7	77%
Women	1	13%	–	2	23%
Not specified/prefer not to say	–	–	–	–	–
Ethnic diversity					
White British or other White (including minority-white groups)	5	63%	2	3	34%
Mixed/multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	3	37%	1	6	66%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

The Company has a Board Diversity Policy that guides appointments to the Board and its Committees. There is no separate Diversity Policy for the Committees. IE&D considerations are, and will be, taken into account for these appointments where relevant.

1 Data relating to the gender and ethnic diversity of the Board and executive management was gathered by the Company Secretary via the collection of each individual's identification documents, which are held within the Company's secure filing system.

Chairman

The Chairman's role is to lead the Board, ensuring its effectiveness while taking account of the interests of the Company's various stakeholders and promoting high standards of corporate governance.

The Chairman's principal responsibilities are in the areas of strategy, external relationships, governance and people. The Chairman leads the Board in overseeing the long-term strategic direction of the Group and approving its key business priorities. His key responsibilities also include:

- Leading, with the Chief Executive, the development of the culture and values of the Group;
- Supporting the development and maintenance of relationships with existing and new key business partners, governments and shareholders;
- Ensuring, together with the Chief Executive, an appropriate focus on attracting and retaining the right people and carrying out succession planning for executive management positions;
- Creating a culture of openness and transparency at Board meetings;
- Building an effective Board supported by a strong governance framework;
- Leading the succession planning for the Chief Executive;
- Ensuring all Directors effectively contribute to discussions and feel comfortable in engaging in healthy debate and constructive challenge;
- Ensuring all Directors receive accurate, timely and clear information; and
- Promoting effective communication between Executive Directors and Non-Executive Directors, including INEDs.

Chief Executive

The responsibility for running the Group's business and all the executive matters affecting the Group rests with the Chief Executive. The implementation of the Group's strategy is delegated to the Company's executive management, with decision-making authority within designated financial parameters delegated to the Investment Committee. In addition, the Chief Executive has day-to-day operational responsibility for:

- Effective management of the Company and its business;
- Leading the development of the Company's strategic direction and implementing the strategy approved by the Board;
- Identifying and executing new business opportunities;
- Managing the Group's risk profile and implementing and maintaining an effective framework of internal controls;
- Developing targets and goals for his executive team;
- Ensuring effective communication with shareholders and key stakeholders and regularly updating institutional investors on the business strategy and performance;
- Providing regular operational updates to the Board on all matters of significance relating to the Group's business or reputation;
- Overseeing the Group's approach to capital allocation, business planning and performance;
- Overseeing sustainability strategy and execution;
- Ensuring, together with the Chairman, an appropriate focus on attracting and retaining the right people and carrying out succession planning for executive management positions; and
- Fostering innovation and entrepreneurialism to support the growth of the Group's business.

Non-Executive Directors

The Non-Executive Directors bring insight and relevant experience to the Board. They have responsibility for constructively challenging the strategies proposed by the Executive Directors and scrutinising the performance of management in achieving agreed goals and objectives. In addition, Non-Executive Directors work on individual initiatives as appropriate.

Board Meetings

The Board usually holds four scheduled meetings each year, and ad hoc meetings when appropriate to deal with urgent matters that arise between scheduled meetings. Board meetings are usually held in different locations around the Group's markets.

The Board receives high-quality, up-to-date information in advance of each meeting, which is provided to Directors via a secure online board information portal. The Company reviews the information provided to the Board regularly to ensure that it remains relevant to the needs of the Board in carrying out its duties.

The Directors of the Company, who are based outside Asia, visit the region regularly to review and discuss the Group's business and inspect the Group's investment and development assets. The knowledge these Directors have of the Group's affairs, as well as their experience of the wider Group, provides significant value to the ongoing review by the Company of the Group's performance and reinforces the Board oversight process.

Board Attendance

Directors are expected to attend all Board meetings. The table below shows the attendance at the scheduled 2024 Board meetings:

	Meetings eligible to attend	% Attended
Current Directors		
Non-Executive Directors		
Stuart Grant	4/4	100%
Lily Jencks	4/4	100%
Adam Keswick	4/4	100%
Lincoln K.K. Leong	4/4	100%
Ming Mei[1]	1/1	100%
Executive Directors		
John Witt	4/4	100%
Michael Smith[2]	3/3	100%
Craig Beattie	4/4	100%
Former Directors		
Ben Keswick[3]	3/3	100%
Anthony Nightingale[4]	–	–
Christina Ong[5]	3/3	100%
Y.K. Pang[6]	0/1	0%
Robert Wong[7]	1/1	100%

1 Ming Mei joined the Board on 10 October 2024. In 2024, one Board meeting was held after 10 October 2024.
2 Michael Smith joined the Board on 1 April 2024. In 2024, three Board meetings were held after 1 April 2024.
3 Ben Keswick stepped down from the Board on 28 October 2024. In 2024, three Board meetings were held on or before 28 October 2024.
4 Anthony Nightingale stepped down from the Board on 1 January 2024. In 2024, no Board meeting was held on or before 1 January 2024.
5 Christina Ong stepped down from the Board on 28 October 2024. In 2024, three Board meetings were held on or before 28 October 2024.
6 Y.K. Pang stepped down from the Board on 31 March 2024. In 2024, one Board meeting was held on or before 31 March 2024.
7 Robert Wong stepped down from the Board on 1 April 2024. In 2024, one Board meeting was held on or before 31 April 2024.

Appointment and Retirement of Directors

There are detailed plans in place to ensure orderly succession for the Board. The Board is focused on development and succession plans at both Board and executive level, to strengthen the management pipeline. The Chairman, in conjunction with other Directors, reviews the size, composition, tenure and skills of the Board. The Chairman leads the process for new appointments, monitors Board succession planning, and considers independence, diversity, inclusion and Group governance matters, as well as relevant expertise and experience, when recommending appointments to the Board. Non-Executive Directors are appointed on merit, against objective criteria and are initially appointed for a three-year term.

Prior to appointment, the Chairman assesses the commitments of a proposed candidate, including other directorships, to ensure they have sufficient time to devote to the role. The Chairman also regularly assesses the time commitments of Directors, to ensure that they each continue to have sufficient time for their role. He also considers the potential additional time required in the event of urgent corporate events. Any Director's external appointments, which may affect existing time commitments relevant to the Board, must be agreed with the Chairman in advance.

Upon appointment, all new Directors receive a comprehensive induction programme over several months. This is designed to facilitate their understanding of the business and is tailored to their individual needs. The Chief Financial Officer and the Company Secretary are responsible for providing a briefing covering the Company's core purpose and values, strategy, key areas of the business and corporate governance.

The Board appoints each new Director, and the Nominations Committee has been established to assist the Board in such matters. In accordance with the Company's Bye-Laws, each new Director is subject to retirement and re-election at the first AGM after their appointment. Directors are then subject to retirement by rotation requirements under the Bye-Laws, whereby one-third of the Directors retire at the AGM each year. These provisions apply to both Executive Directors and Non-Executive Directors, but the requirement to retire by rotation does not extend to the Chairman of the Company.

Appointment and Retirement of Directors continued

The Company has determined that it is appropriate for the Chairman to be exempted from the retirement by rotation requirements. An important part of the Group's strong governance is corporate stability, which is provided by the stewardship over the long-term of the business by family, as well as related and like-minded shareholders, who hold a significant proportion of the shares of the Company. The Group believes that its stakeholders gain significant value from the long-standing governance approach the Group has taken.

In accordance with Bye-Law 85, Stuart Grant and Lincoln K.K. Leong will retire by rotation at this year's AGM and, with respect to Lincoln K.K. Leong, will offer himself for re-election. Stuart Grant will not offer himself for re-election in light of the announcement of his appointment as executive director & chief executive, Westbund Central, which takes effect on 30 June 2025. In accordance with Bye-Law 92, Ming Mei will also retire and, being eligible, offer himself for re-election. None of the Directors proposed for re-election have a service contract with the Company or its subsidiaries.

Company Secretary

All Directors have access to advice and support from the Company Secretary, who is responsible for advising the Board on all governance matters.

Insurance and Indemnification

The Company purchases insurance to cover its Directors against their costs in defending themselves in civil proceedings taken against them in that capacity, as well as in respect of damages resulting from the unsuccessful defence of any proceedings. To the extent permitted by applicable law, every Director shall be indemnified and secured harmless out of the assets of the Company against all liability and loss suffered and expenses reasonably incurred. However, neither insurance nor indemnity arrangements provide cover where the Director has acted fraudulently or dishonestly.

Delegations of Authority

The Group has in place an organisational structure with defined lines of responsibility and appropriate delegations of authority in place. The Group's delegation of authority framework establishes a clear pathway for decision-making. This ensures that judgements are made at the correct business level by those team members most equipped to do so. Every decision made aligns with the Group's culture and values, taking into account the advantages, risks, financial consequences, and effects on all stakeholders. The Board, supported by the Audit Committee, places significant emphasis on maintaining high governance standards throughout the Group. This focus assists the Board in accomplishing its strategic goals and fulfilling key performance objectives.

Directors' Responsibilities in respect of the Financial Statements

Under the Bermuda Companies Act, the Directors are required to prepare financial statements for each financial year and present them annually to the Company's shareholders at the AGM. The financial statements are required to present fairly, in accordance with International Financial Reporting Standards (IFRS), the financial position of the Group at the end of the year, and the results of its operations and its cash flows for the year then ended. The Directors consider that applicable accounting policies under IFRS, applied on a consistent basis and supported by prudent and reasonable judgements and estimates, have been followed in preparing the financial statements. The financial statements have been prepared on a going concern basis.

Substantial Shareholders

As a non-UK issuer, the Company is subject to the provisions of the DTRs, which require that a person must, in certain circumstances, notify the Company of the percentage of voting rights attaching to the share capital of the Company that person holds. The obligation to notify arises if that person acquires or disposes of shares in the Company and that results in the percentage of voting rights which the person holds reaching, exceeding, or falling below, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%.

The Company has been informed of the holding of voting rights of 5% or more attaching to the Company's issued ordinary share capital by Jardine Strategic Limited (the Jardine Strategic), which is directly interested in 1,176,616,646 ordinary shares carrying 53.32% of the voting rights. By virtue of its interest in Jardine Strategic, Jardine Matheson is also interested in the same ordinary shares. Apart from this shareholding, the Company is not aware of any holders of voting rights of 5% or more attaching to the Company's issued ordinary share capital as of 7 March 2025.

There were no contracts of significance with substantial corporate shareholders during the year under review.

Related Party Transactions

Details of transactions with related parties entered into by the Company during the course of the year are included in Note 27 to the financial statements on pages 58 and 59.

Engagement with Shareholders, Other Stakeholders and Colleagues

We engage regularly with our stakeholders, including our employees, investors, creditors, partners and government and this enables the Company to understand their perspectives and ensure we address their expectations and shape our actions accordingly.

Shareholders and Investors

The Board and executive management team recognise communications with shareholders and investors to be an important component of the Group's commitment to strong corporate governance. The Group proactively engages with the investment community through a number of channels to articulate its business and sustainability strategies, provide updates on its progress towards key objectives, and to collect the community's views and feedback, as follows:

- The Chief Executive and Chief Financial Officer are made available to address queries at the Group's interim and annual results presentations, followed by interactions during roadshows or post results discussions with major shareholders and investors;
- The Chief Financial Officer provides business updates to the analyst community prior to the start of black-out periods ahead of interim and annual results announcements;
- The Chief Executive, Chief Financial Officer, and/or the Investor Relations team regularly meet with major shareholders, bondholders and potential investors – there were 100 interactions during the year;
- The publication of annual reports, results announcements and presentations, interim management statements and press releases;
- The publication of the Group's Sustainability Framework 2030 & Climate Action report, as well as its annual Sustainability Performance report;
- The publication of business, sustainability and other general updates via social media platforms; and
- The Group's AGMs.

Other Stakeholders

The Group frequently engages with stakeholder groups outside of the investment community, focusing primarily collaborations on sustainability-related issues and initiatives. The Group's engagement with stakeholders is guided by its Sustainability Framework 2030 (https://webfile.hkland.com/assets/sustainability-report/2024/en/Sustainabilityframework_2030.pdf), which was developed via consultations with stakeholders to help the Group prioritise material topics.

These engagements, which are attended or sponsored by executive management, primarily include:

- Ongoing dialogue with environmental Non-Governmental Organisations (the NGOs), financial institutions, other landlords, and government agencies on risks from rising sea levels;
- Collaborating with other landlords via an Alliance on the sourcing and trialling of PropTech solutions to drive energy efficiency for commercial buildings;
- Engaging and collaborating with tenants via the Group's Tenant Sustainability Partnership Programme to share best practices on green tenant fit-outs and operations, as well as corporate social responsibility initiatives;
- Regular communications with contractors and other developers to learn and share best practices on refining building designs and optimising the use of carbon intensive building materials;
- Engaging with tenants to raise awareness and best practices on IE&D initiatives;
- Collaborating with NGOs to deliver charitable initiatives via economic contributions, community investments, and volunteering;
- Attending real estate sector and sustainability conferences, seminars, workshops, and events, including contributing to discussions on emerging sustainability issues; and
- Engaging our colleagues via employee engagement surveys and sustainability materiality assessments.

Shareholders and other stakeholders may send their enquiries and concerns by e-mail at gpobox@hkland.com.

Securities Purchase Arrangements

The Directors have the power, under the Bermuda Companies Act and the Company's Memorandum of Association, to purchase the Company's shares. Any shares so purchased are required to be treated as cancelled and, therefore, reduce the Company's issued share capital. The Board regularly considers the possibility of share repurchases. When doing so, it considers the potential for enhancing earnings or asset values per share. When purchasing such shares, the Company is subject to the provisions of MAR.

The Company did not repurchase its shares during the year.

Workforce Engagement

The Group has a performance management mechanism designed to foster a more objective and focused approach that rewards high performers, boosts personal development, and creates a culture of performance across the organisation. This mechanism embeds our core values and cascades objectives from the Group's strategy down to individual goals. Appraisal reviews are conducted annually, with added flexibility through check-in sessions and 'agile dialogue' to ensure continuous conversations take place throughout the year.

To complement this, the Group is committed to supporting the growth of the next generation of leaders within our businesses, ensuring colleagues can develop the skills they need to thrive. A thorough talent review process identifies high-potential employees for our talent pool, who are primed to ascend the leadership ladder and step into senior roles in the future. Through meaningful conversations, we discuss their ambitions and draft custom development plans to align their personal growth with the Company's objectives.

We also aim to cultivate an owner mindset among our employees, supported by enhanced incentive structures that focus less on short-term profits and more on long-term value creation. This approach encourages experimentation, innovation, and sustainable growth.

By embedding these practices, we aim to create a more inclusive, transparent, and performance-driven culture that empowers employees to achieve their full potential while contributing to the Group's long-term success.

Annual General Meeting

The Company's 2025 AGM will be held on 2 May 2025. The full text of the resolutions and explanatory notes in respect of the meeting are contained in the Notice of AGM that is published at the same time as this Annual Report and can be found at www.hkland.com/en/investors/announcements.

Corporate Website

A corporate website is maintained containing a wide range of additional information of interest to investors at www.hkland.com.

Group Policies

Code of Conduct

The Group conducts business in a professional, ethical and even-handed manner. Its ethical standards are clearly set out in its Code of Conduct, a set of guidelines to which every employee must adhere and which is reinforced and monitored by a regular training and compliance certification process. It also modelled on the Jardine Matheson group's code of conduct. The Code of Conduct requires that all Group companies and employees comply with all laws of general application, all rules and regulations that are industry-specific and proper standards of business conduct. In addition, the Code of Conduct prohibits the giving or receiving of illicit payments. It requires that all Directors and employees must be fully aware of their obligations under the Code of Conduct and establish procedures to ensure compliance at all levels within their businesses. The Group required each employee to declare any potential conflicts of interest, whether personal or related to their families and friends to ensure employees always act in the best interests of the Group while performing their duties.

The Company's policy on commercial conduct underpins internal control processes, particularly in the area of compliance. The policy is also set out in the Group's Code of Conduct.

Data Privacy

The Group is committed to being a responsible custodian of the data entrusted to it by customers, employees, business partners and other stakeholders keeping the data secure and processing it in accordance with legal requirements and stakeholder expectations as they continue to evolve. Appropriate protections are in place to prevent misuse and unauthorised disclosure of personal data. In addition, the Group's Code of Conduct and Data Breach Notification Policy underlines the Group's commitment to being a responsible data custodian.

Whistleblowing Policy

The Group has a whistleblowing policy covering how employees can report matters of serious concern. The Audit Committee is responsible for overseeing the effectiveness of the formal procedures for colleagues to raise such matters and is required to review any reports made under those procedures referred to it by the internal audit function.

In addition, the Group has a whistleblowing service managed by an independent third-party service provider, which supplement existing whistleblowing channels to assist employees and third-parties in raising matters of concern and report cases of suspected illegal or unethical behaviour. This service, which aims to help foster an inclusive, safe and respectful workplace, is available 24 hours a day in multiple local languages and is accessible through several channel. Colleagues may make anonymous submissions in situations where it is inappropriate or not possible to report a matter of concern to a manager supervisor, People & Culture, Executive Directors, Legal representative or the Chief Financial Officer.

Reports may be lodged by one of three channels: email, website or telephone hotline. Each report is allocated a unique case number which enables follow-up with the reporter, if applicable. Once a report is lodged, it is sent to certain authorised persons at the Group level. These include senior representatives from legal, compliance and finance teams who have experience in dealing with such matters. The authorised persons will follow up on the report and investigate where necessary. The reporter, if they choose to, will be notified of the outcome.

All reports are treated confidentially and any retaliation against a person reporting a potential breach of the Code of Conduct in good faith will not be tolerated.

Inclusion, Equity and Diversity

We understand that our greatest asset is our people. Their diverse talent, experiences, and backgrounds drive our growth. We are committed to fostering an environment that values every individual, ensuring every voice contributes to our collective success.

The Group applies the principle that colleagues should always treat others in a way they would expect others to treat them. Bullying, intimidation, discrimination, and harassment of others have no place in the Group and will not be tolerated.

As a multinational Group with a broad range of businesses operating across Asia, the Group believes in promoting equal opportunities in recruiting and developing all employees, regardless of ethnicity, gender, age, sexual orientation, disability, background or religion, should be treated fairly and with dignity, and be valued for the contributions they make in their role. The scale and breadth of the Group's business necessitate that they seek the best people from the communities in which they operate most suited to their needs.

All staff are encouraged and supported to develop their full potential and contribute to the sustainable growth of the Group. Employees views and ideas are essential, and they are encouraged to express them respectfully with colleagues at all levels within the organisation.

To build an inclusive workplace which helps progress our ambitions across the Group, we incorporate IE&D principles across our businesses and People and Culture practices. This includes:

- Ongoing collaboration to ensure a set of inclusive working arrangements and policies to support IE&D;
- Keeping our recruitment, promotion, and retention systems fair and based on aptitude, merit and ability, including ongoing reviews of remuneration to ensure appropriateness of pay levels;
- Active talent management and career support for our talent pools to provide equitable opportunities that will enable a diverse future pipeline of leaders; and
- Cultivating the right set of leadership behaviours through learning campaigns to ensure our people behave in a way consistent with the principles we have put in place.

The Company keeps the composition of its Board and executive management positions under review to ensure that it remains appropriate to face the challenges of the changing business landscape. The Company is actively focused on increasing gender diversity at all levels of the organisation.

The Group has a Diversity and Equal Opportunity Policy.

Committees

The Board is supported by the activities of its Committees (the Nominations, Remuneration, Investment and Audit Committees), which ensure the right level of attention and consideration are given to specific matters. Matters considered by each of the Committees are set out in their respective terms of reference. Copies of these documents can be obtained from the Company's website at www.hkland.com.

Nominations Committee

The Board established a Nominations Committee in March 2021. The key responsibilities of the Nominations Committee are to:

- Review the structure, size and composition of the Board and its Committees and make recommendations to the Chairman of the Board on any appointments to maintain a right balance of skills, knowledge and experience and independence, as well as a diversity of perspectives;
- Support the Chairman of the Board to lead the process for Board appointments and nominate suitable candidates to the Board;
- Assess suitable candidates based on merit and objective criteria (giving consideration to the promotion of the diversity of social and ethnic backgrounds, knowledge, experience and skills), taking into account their ability to meet the required time commitments;
- Oversee the development of succession pipelines for both the Board and executive management positions to ensure talent is identified and nurtured to meet the challenges and opportunities facing the Group; and
- Satisfy itself that any skill gaps are addressed in the reviews of Board composition and that appropriate development opportunities are in place for Directors to keep abreast of market knowledge and industry trends to perform their role effectively.

The Nominations Committee consists of a minimum of three members, selected by the Chairman of the Board. The Chairman of the Board is the Chair of the Nominations Committee. The current members of the Nominations Committee are John Witt, Ming Mei and Raymond Co (the group head of people & culture of the Jardine Matheson group). The Nominations Committee meets at least annually, or by the circulation of Committee circulars and recommendations to the Board for approval as it deems appropriate. It plays a key role in the process of recruiting Board members and executive management. Candidates for appointment as Executive Directors of the Company or other executive management positions may be sourced internally or externally, including by using the services of specialist executive search or recruitment firms. The aim is to appoint individuals who combine international business knowledge and experience, industry knowledge and experience, if possible, and familiarity with, or adaptability to, Asian markets. When appointing Non-Executive Directors, the Nominations Committee pays particular attention to the Asian business experience and relationships that they can bring.

Remuneration Committee Report

Chair's Introduction

Following my appointment as Chair of the Remuneration Committee in October 2024, I am delighted to introduce the Remuneration Committee's Report for the year ended 31 December 2024. The Report sets out how remuneration has operated across the Group in 2024, how the Group intends to operate its remuneration framework in the year ahead, and the Group's overall approach to incentives.

The primary objective of the Group's remuneration approach is to align remuneration with performance and to create a high-performance culture for the Group.

The Remuneration Committee is focused on reshaping the Group's remuneration framework to align with this approach and, during the year, we undertook a review of the different elements of the framework.

To reinforce a performance-driven culture, we are reshaping our performance management system, which allows us to differentiate performance among our employees better and to reward the best performers. These changes will create a clear correlation between performance levels and rewards. The Group's salary management system has also been revamped to incorporate market remuneration data, which will enhance decision-making for employees' salary increases.

We recognise the importance of incentives and rewards in aligning employees with the creation of value for the Group and the delivery of strong total shareholder returns. We are therefore re-designing the Group's short-term and long-term rewards framework to better align with the Group's compensation philosophy and its revised strategy.

For short-term reward, we aim to drive day-to-day strategy execution through a target-based bonus plan. The employee bonus payout ratio is now based on a combination of group-level financial performance and individual performance.

For long-term reward, a new long-term incentive plan (LTIP) will be created to incentivise a focus on long-term returns for the business. Directors and selected key talents will be awarded shares under the LTIP, and payouts will be subject to the satisfaction of challenging performance measures. We also have an Executive Director Shareholding Policy, requiring all Executive Directors and executive management with profit and loss responsibility to accumulate and hold shares in the Company to align the interests of Executive Directors, executive management and shareholders.

Details of the Remuneration Committee's key responsibilities and the Group's remuneration approach are set out in below sections. The full terms of reference are available on the Company's website at www.hkland.com.

John Witt
Chair of the Remuneration Committee

Remuneration Committee

The Board has overall responsibility for setting remuneration across the Group, ensuring it is appropriate and supports the Group's strategy, creating value for stakeholders. The Remuneration Committee has been established to assist the Board in these remuneration matters.

The Board has established the Remuneration Committee in March 2022. The role of the Remuneration Committee is governed by its terms of reference. The key responsibilities of the Remuneration Committee are to:

- Oversee the formulation of a Group-wide reward strategy and ensure the business implements the reward strategy in alignment with its industry-specific needs;
- Review and approve the Company's overall rewards strategy and remuneration framework;
- Review the terms of and design of performance-related incentives (both short- and long-term), including the review and approval of any changes to plan design, targets and metrics;
- Review and approve the overall compensation costs, including salary and bonus budgets, of the business; and
- Remain abreast of trends and developments in executive management's compensation and corporate governance as they relate to the Group's industry and countries of operation.

The Remuneration Committee consists of a minimum of three members, selected by the Chairman of the Board. The Chairman of the Board is the Chair of the Remuneration Committee. The current members of the Remuneration Committee are John Witt, Ming Mei and Raymond Co (the group head of people & culture of the Jardine Matheson group). The Chief Executive and the Executive Director and Chief of People & Culture Officer will generally attend meetings of the Remuneration Committee. The Remuneration Committee shall meet at least twice a year and as required, or by circulation of Committee circulars which make recommendations to the Board for approval as it deems appropriate.

Remuneration Committee Report continued

The Group's Remuneration Philosophy and Framework for Rewarding Staff

The remuneration outcomes in 2024 reflect the intended operation of the remuneration framework.

The Company aims to ensure that its remuneration system is designed in a manner that is aligned with the values and strategic priorities of the Company. The Company's remuneration framework serves to attract, motivate and retain colleagues at all levels, while aligning the interests of executives and shareholders and taking account of stakeholder expectations, as appropriate. The Company's rewards approach is to reward all individuals competitively, fairly and free from gender, race, ethnicity, age, disability and other non-performance-related considerations.

It does this through:

- Incentives based on financial measures and strategic objectives that reflect key goals critical to long-term sustainable organisational success;
- Consideration of business and operational risk, as well as sustainability development goals through the design of performance objectives;
- Incentives and policies which align the interests of executives to those of shareholders;
- Best-practice governance and ensuring remuneration outcomes are reasonable, taking into account community and stakeholder expectations; and
- Remuneration levels and outcomes appropriately reflect the challenge and complexity of being a multinational Asian-based property group with diverse property business.

The Company's policy is to offer competitive remuneration packages to its employees. The Company relies on a reward framework that provides varying levels of remuneration and benefits depending on employee level. The remuneration packages are designed to reflect the nature of the Group and its diverse geographic base.

Accordingly, the remuneration mix for employees varies depending on level. At executive management levels, more remuneration is 'at risk' depending on performance levels against goals. At more junior levels, more remuneration is directed toward fixed remuneration. The Company strives to provide an appropriate amount of remuneration 'at risk' for the achievement of goals – whether those are short- or long-term in nature.

How Remuneration Framework is Linked to the Business Strategy

The Group's remuneration strategy is designed to support and reinforce its business and sustainability strategies, both short- and long-term. The 'at risk' components of remuneration are tied to measures that reflect the successful execution of these strategies in both the short- and long-term. So, the Group's actual performance directly affects what executives are paid.

Directors' Remuneration

Shareholders decide in general meetings the Directors' fees which are payable to all Directors other than the Chief Executive and the Chief Financial Officer, as provided for by the Company's Bye-Laws.

The remuneration of the Company's Non-Executive Directors is not linked to performance. This is consistent with Non-Executive Directors being responsible for objective and independent oversight of the Group. The total amount provided to all Directors (exclusing the salaried Executive Directors of the Company who are not entitled to such fees) must not exceed the sum agreed by shareholders at a general meeting. The maximum aggregate remuneration of US$1.5 million per annum was approved by shareholders at the 2022 AGM, and this total sum will be kept under review over time. Executive Directors are paid a basic fixed salary as well as discretionary annual incentive bonuses and receive certain employee benefits from the Group. Non-Executive Directors do not receive bonuses or any other incentive payments or retirement benefits.

The level of fees paid to the Company's Non-Executive Directors is kept under regular review. Fees are benchmarked against a peer group of similar companies and a report is reviewed by the Board every two years.

Directors' Remuneration continued

The Non-Executive Directors are reimbursed for expenses properly incurred in performing their duties as a Director of the Company. The schedule of fees paid to Directors in respect of the financial year 2024 is set out in the table below. Fees are annual fees, unless otherwise stated:

US$ (per annum)	
Chairman fee:	110,000
Base Director fee:	100,000
Audit Committee fee (Chair):	45,000
Audit Committee fee (member):	35,000
Remuneration Committee fee (Chair):	25,000
Remuneration Committee fee (member):	20,000
Nominations Committee fee:	15,000
Investment Committee fee (Chair):	45,000
Investment Committee fee (member):	35,000

	Director	Director Fee US$	Audit Committee Fee US$	Nominations Committee Fee US$	Remuneration Committee Fee US$	Investment Committee Fee US$	Total Fees US$
Current Directors							
1	John Witt (Chairman)[1]	110,000	–	15,000	4,440	7,992	137,432*
2	Michael Smith[2]	–	–	–	–	–	–
3	Craig Beattie	–	–	–	–	–	–
4	Stuart Grant	100,000	35,000	–	–	6,216	141,216
5	Lily Jencks	100,000	–	–	–	–	100,000
6	Adam Keswick[1]	100,000	–	12,336	–	–	112,336*
7	Lincoln K.K. Leong	100,000	45,000	–	–	–	145,000
8	Ming Mei[3]	22,678	–	2,664	3,552	6,216	35,110
Former Directors							
9	Ben Keswick[1]	90,464	–	12,336	–	–	102,800*
10	Anthony Nightingale[4]	8,470	–	–	–	–	8,470
11	Christina Ong[1]	82,240	–	–	–	–	82,240
11	Y.K. Pang[5]	24,863	8,702	–	–	–	33,565*
12	Robert Wong[2]	–	–	–	–	–	–
	Total	**738,715**	**88,702**	**42,336**	**7,992**	**20,424**	**898,169**

* Fees surrendered to Jardine Matheson

1 John Witt was appointed as Chairman of the Board, succeeded Ben Keswick with effect from 28 October 2024. On the same day, John Witt was also appointed as the chair of the Nominations and Remuneration Committees, Christina Ong stepped down from the Board and Adam Keswick stepped down as a member of Nominations Committee.

2 Michael Smith was appointed to the Board of the Company and succeeded Robert Wong, with effect from 1 April 2024.

3 Ming Mei was appointed to the Board of the Company with effect from 10 October 2024 and was appointed as a member of the Investment, Remuneration and Nominations Committees with effect from 28 October 2024.

4 Anthony Nightingale retired from the Board of the Company with effect from 31 January 2024.

5 Y.K. Pang retired from the Board of the Company and the Audit Committee with effect from 31 March 2024.

Remuneration Committee Report continued

Remuneration Outcomes in 2024

For the year ended 31 December 2024, the Directors received from the Group US$9.2 million *(2023: US$7.6 million)* in Directors' fees and employee benefits, being:

	2024	2023
Directors' fees	**US$0.9 million**	US$1.1 million
Short-term employee benefits including salary, bonuses, accommodation, deemed benefits in kind and shares-based incentives	**US$8.1 million**	US$6.1 million
Post-employment benefits	**US$0.2 million**	US$0.4 million

The information set out in the section above headed 'Remuneration Outcomes in 2024' forms part of the audited financial statements.

Directors' Share Interests

The Directors of the Company in office on 7 March 2025 had interests* as set out below in the ordinary share capital of the Company. These interests include those notified to the Company regarding the Directors' closely associated persons*.

Craig Beattie	134,400
Lily Jencks	79,300
Lincoln K.K. Leong	456,818
Ming Mei	5,800,000

* Within the meaning of MAR

In addition, Craig Beattie held share options regarding 120,000 ordinary shares issued pursuant to the Company's notional share option plan.

Michael Smith received a conditional award of 1,784,500 ordinary shares in the Company during 2024, as an incentive to join the Group. These shares will vest in equal installments over five years between 2025 and 2029, subject to continued employment on the date each vesting period ends.

Executive Directors Shareholding Policy

The Company believes that it is essential to align the interests of shareholders and Executive Directors. This means creating an environment where the Executive Directors are incentivised to create long-term shareholder value. The Company has sought to do this in part by requiring all Executive Directors to accumulate and hold shares in the Company for the long-term.

In this regard, the Company has adopted an Executive Directors' Shareholding Policy (the Shareholding Policy). The Shareholding Policy requires that each of the Executive Directors should build a meaningful and increasing shareholding in the Company over time.

The Shareholding Policy sets a minimum shareholding requirement. For the Chief Executive, the value is four times his annual basic salary. For Executive Directors and executive management with profit and loss responsibility and the Chief Financial Officer, the minimum requirement is to hold shares in the Company with a value of two times their annual basic salary, while other are functional executive directors, the value is one time their annual basic salary. Executive Directors are permitted five years from the commencement of the Shareholding Policy to accumulate the required level of shareholding.

Share Schemes

The Company has in place a notional share option plan under which cash bonuses are paid based on the performance of the Company's share price over a period. The notional plan was established to provide longer-term incentives for Executive Directors and senior managers. Notional share options are granted after consultation between the Chairman and the Chief Executive as well as other Directors as they consider appropriate. Notional share options are not granted to Non-Executive Directors. The plan is now inactive, and no further options will be granted under the plan.

In February 2025, the Company introduced a new long-term incentive programme that will provide shares to nominated participants. The goal of this programme is to encourage executive management within the Group to drive towards the Company's strategic objectives and align their contribution with the interests of shareholders, as decided by the Remuneration Committee.

Investment Committee Report

Chair's Introduction

I am pleased to present the Investment Committee's report for the year ended 31 December 2024. The report outlines the work of the Committee since its establishment in October 2024 and provides context for the decisions taken.

The Investment Committee was formed to replace the Group's existing finance committee, which was originally established by the Group's management company. The Committee enables the executive team to operate with flexibility while adequate attention is still given by the Board to significant strategic investment, financing and treasury decisions.

The primary objective of the Committee is to improve the Group's decision-making agility by advising, evaluating, approving and/or making recommendations to the Board on the Group's strategic transactions, in accordance with authority limits delegated by the Board. The transactions covered by the Committee's remit include investments and disposals, capital expenditure, lease commitments, and material changes to associate and joint venture relationships.

The Board has also delegated its authority to the group finance director of Jardine Matheson group to review certain finance-related transactions in accordance with authority limits, including loan facilities, derivative transactions, treasury policies and authority thresholds for the Group.

During the year, the Committee reviewed certain matters and made recommendations to the Board, strictly following the Group's investment principles. These transactions included the asset enhancement initiatives for the Group's key retail assets in Central.

Details of the Committee's key responsibilities are set out in below section.

John Witt
Chair of the Investment Committee

Investment Committee

The Board established an Investment Committee in October 2024. The key responsibilities of the Investment Committee are to:

- Review and approve transactions or arrangements proposed to be entered into or undertaken by members of the Group in accordance with the limits of authority, including investments and disposals, capital expenditure, lease commitments, material changes to associate and joint venture relationships; and
- Evaluate and recommend to the Board protocols for new markets and funding models that the Group is seeking to establish, including the decision to enter into a new gateway city or any third-party capital such as new REITs or private fund vehicles.

The Investment Committee consists of three members, selected by the Chairman of the Board. The Chairman of the Board is the chair of the Investment Committee. The current members of the Investment Committee are John Witt, Stuart Grant and Ming Mei. The Investment Committee meets monthly, or by the circulation of Committee circulars, and makes recommendations to the Board for approval for matters outside of its delegated authority.

Audit Committee Report

Chair's Introduction

I am pleased to present the Audit Committee's report for the year ended 31 December 2024. As part of Hongkong Land's evolving governance framework, the Audit Committee convened three times in 2024, with an additional meeting held in November. This extra session was dedicated to providing early insights into potential issues that could affect the full-year results.

This year, the Audit Committee has focused heavily on the challenging property market conditions on the Chinese mainland. We have closely monitored the assessment of value of various property categories, including investment properties, own-use properties, build-to-sell properties, medium term properties, and MCL Land properties.

We have examined key accounting issues and management judgements to ensure the continued accuracy and integrity of the Company's financial reporting. We have also held discussions with the Company's external auditor, PwC, on the financial statements and have met with PwC without managements presence. More details are included in Note 33 to the financial statements on pages 76 to 77.

The Audit Committee has also overseen the Company's non-financial reporting framework, ensuring it evolves in line with environmental, social, and governance responsibilities. We receive regular updates from management and from the Jardine Matheson group's audit and risk management function (GARM) on the broader control environment, including financial reporting controls, and we review the progress of addressing any identified deficiencies with insights from GARM and PwC.

The Audit Committee reviewed and monitored the Company's principal risks through a combination of business reviews, focused engagements, and regular updates from management, GARM, and PwC. As the Group announced a new business strategy in October 2024, which focuses on ultra-premium integrated commercial properties in Asia's gateway cities, the Group's Enterprise Risk Management framework is being updated to align with its new strategic goals. Key risks that could impact the Group's achieving its goals have been identified together with the associated risk response. Read more on pages 109 to 114.

The Audit Committee's role is to oversee the effectiveness of the Company's financial reporting, including ESG and climate-related financial disclosures, internal control systems, and risk management processes. We also ensure the integrity of the Company's external and internal audit procedures.

Details of the Audit Committee's key responsibilities are set out in below sections. The full terms of reference are available on the Company's website at www.hkland.com.

Lincoln K.K. Leong
Chair of the Audit Committee

Audit Committee

The Board has established an Audit Committee in March 2022. The Audit Committee consists of a minimum of three members and its current members are Graham Baker (Financial Expert), Lincoln K.K. Leong (chair of the Audit Committee and INED) and Stuart Grant (Non-Executive Director). None of the members is directly involved in operational management of the Company as at 7 March 2025. The chair of the Audit Committee is independent. All Audit Committee members have a deep understanding of risk management. Lincoln K.K. Leong is an independent member and he and Graham Baker have recent financial experience and expertise.

The Chief Executive and Chief Financial Officer, together with representatives of the internal and external auditors, also attend the Audit Committee meetings by invitation. Other individuals may attend part of a meeting for specific agenda items as appropriate. The Committee meets on a scheduled basis three times a year (the number of annual meetings was increased from two to three in 2024 as part of the Group's focus on improving its governance approach further and strengthening the oversight of the Committee).

The role of the Audit Committee is governed by its terms of reference. The Audit Committee's remit includes:

- Independent oversight and assessment of financial reporting processes, including related internal controls;
- Independent oversight of risk management and compliance;
- Independent oversight and responsibility for cybersecurity;
- Monitoring and reviewing the effectiveness of the internal audit function and the Group's external auditor;
- Considering the independence and objectivity of the external auditor; and
- Reviewing and approving the level and nature of non-audit work performed by the external auditor.

Audit Committee continued

Before completion and announcement of the Company's half-year and full-year results, a review is undertaken by the Committee, with the executive management, of the Company's financial information and any issues raised in connection with the preparation of the results, including the adoption of new accounting policies. A report is also received by the Committee from the external auditor. The external auditor also have access, when necessary, to the full Board and other executive managements. The Committee confirms, to the best of its knowledge, the consolidated financial statements prepared in accordance with IFRS, 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.

The matters considered by the Audit Committee during 2024 included:

- Reviewing the 2023 annual financial statements, 2024 half-year financial statements and interim management statements, with particular focus on the assets impairment assessments, net realisable assessments for properties for sale, assumptions that underpinned key valuation models and effectiveness of financial controls;
- Reviewing the significant actions and judgements of management in relation to changes in accounting policies and practices to ensure clarity and accuracy of disclosures and compliance with new accounting standards;
- Receiving reports from internal audit function on the status of the control and compliance environment of the Group, with particular focus on the mechanisms supporting financial reporting, and its business divisions, and progress made in resolving matters identified in the reports;
- Reviewing the principal risks, evolving trends and emerging risks that affect the Group, and monitoring changes to the risk profile, as well as the effectiveness of risk management measures and crisis management arrangements;
- Receiving updates on the cybersecurity threat landscape and the Group's cybersecurity environment, risk management approach, training, priorities and control effectiveness;
- Receiving reports from risk management and legal functions on key legal matters and compliance and code of conduct issues, and the actions taken in addressing those issues and strengthening controls;
- Reviewing the annual internal audit plan and status updates;
- Reviewing the Group's governance approach to cybersecurity management, data security and privacy management across its businesses;
- Reviewing the independence, audit scope and fees of PwC, and recommending their re-appointment as the external auditor at AGM; and
- Conducting a review of the terms of reference of the Audit Committee.

Audit Committees Attendance

The table below shows the attendance at the scheduled 2024 Audit Committee meetings:

Members of the Audit Committee	Meeting eligible to attend	% Attendance
Current members		
Lincoln K.K. Leong (Chair)	3/3	100%
Stuart Grant	3/3	100%
Graham Baker	3/3	100%
Former member		
Y.K. Pang[1]	1/1	100%

1 Y.K. Pang stepped down as a member on 31 March 2024.

Audit Committee Report continued

Auditor Independence and Effectiveness

The independence and objectivity of the Group's external auditor are safeguarded by control measures including:

- Reviewing the nature of non-audit services (including the amendment of the non-audit services policy);
- The external auditor's own internal processes to approve requests for non-audit work to the external audit work;
- Monitoring changes in legislation related to auditor independence and objectivity;
- The rotation of the lead audit partner after seven years;
- Independent reporting lines from the external auditor to the Audit Committee and providing an opportunity for the external auditor to have in-camera sessions with the Audit Committee;
- Restrictions on the employment by the group of certain employees of the external auditor;
- Providing a confidential helpline that employees can use to report any concerns; and
- An annual review by the Audit Committee of the policy to ensure the objectivity and independence of the external auditor.

The Board's annual review in 2024 of the external auditor's independence and effectiveness found that they performed their duties effectively. The Board found the level of professional scepticism, the number and regularity of meetings with the Audit Committee, feedback from the Audit Committee members and internal stakeholders and the levels of technical skills and experience to be effective.

At each AGM of the Company, the Company is required to appoint an external auditor to hold office until the conclusion of the next AGM. The Company's shareholders approved the appointment of PwC Hong Kong as the Company's external auditor at the AGM on 8 May 2024.

Risk Management and Internal Control

The Board has overall responsibility for the Group's systems of risk management and internal control. It is supported by the Audit Committee which is responsible for providing oversight of the Group's risk management activities.

The Audit Committee considers the Group's principal risks and uncertainties, as well as emerging risks that it may face. It also ensures that executive management maintains robust risk management systems to safeguard the interests of the Group and its stakeholders. In addition, it reviews the effectiveness of the design and operation of the Group's systems of internal control (financial, operational and compliance) and the practices that it adopts to mitigate the Group's risks. The Audit Committee reports to the Board three times a year.

GARM assists the Audit Committee with fulfilling its assurance and reporting roles. GARM adheres to international professional practice standards for internal auditing. To safeguard its independence of Management and objectivity, GARM reports functionally to the Audit Committee and has full and unrestricted access to all Group business functions, records, locations and personnel. It also monitors the approach taken by Management to risk and reports its findings and recommendations for any corrective action required to the Audit Committee.

The Group's internal control systems are designed to manage, rather than eliminate, business risk, to help safeguard its assets against fraud and other irregularities and to give reasonable, but not absolute, assurance regarding material financial misstatement or loss.

Executive management is responsible for implementing the systems of internal control throughout the Group.

The Group has an established risk management process that covers all business units within the Group. This process includes the maintenance of risk registers that detail the Group's existing and emerging risks to the achievement of their strategies as well as relevant key controls and mitigating actions to address them. The Group's risk management process and risk registers are reviewed regularly by executive management.

The Group operates a 'three lines of defence' risk governance framework which defines clear responsibilities and the structure for ensuring accountability for and transparency regarding its risk management practices. This framework combines a top-down strategic view of risk with a bottom-up operational perspective. The Board, through the top-down approach, has oversight of the risk management process and focuses on determining the nature and extent of significant risks that it is willing to take in achieving the strategic objectives of the Group.

Integrated Risk Management Approach

A top-down, bottom-up approach

Embedding three lines of defence

Strategic Risk Management	Operational Risk Management	
Board/Audit Committee		Third line of defence
• Review external environment • Robust assessment of principal risks • Set risk parameters	• Assess effectiveness of risk management process and internal control systems • Report on principal and emerging risks	Internal audit serves as an objective assurance function, independently evaluating the effectiveness of the Group's risk management and internal control processes
Executive Management/Risk Management Committee		Second line of defence
• Identify principal and emerging risks • Direct delivery of strategic actions in line with risk parameters • Monitor key risks	• Consider completeness of identified risks and adequacy of mitigating actions • Consider aggregation of risk exposures across the business	The internal risk and control teams aid the Risk Management Council in coordinating risk management efforts, ensuring integration of risk management practices throughout the Group's operations. They oversee and challenge the Group's risk identification, assessment, management and monitoring
Business Units		First line of defence
• Execute strategic actions • Report on key risks	• Report on current and emerging risks • Identify, evaluate and mitigate operational risks	Business units take ownership of managing operational risks directly, implementing necessary mitigations and internal controls

Executive management and the Risk Management Council (comprising senior executives from all key business functions, chaired by the Chief Executive Officer) are accountable for the effective management and reporting of principal risks across the business. They also ensure the effectiveness of the Group's internal control environment. The internal risk and control teams support the Risk Management Council in coordinating the Group's risk management activities and embedding risk management and monitoring internal controls across the Group's operations. Significant and emerging risks are reported to the Audit Committee at each meeting.

At the operational level, the day-to-day management of risk is embedded within the business units and is integral to the way the Group conducts business. This bottom-up approach ensures that potential risks are identified at an early stage and escalated appropriately. Ownership of operational risks resides within each business unit, with risks being managed at source and appropriate mitigations (including internal controls) being put in place. The business units report on risks, which are maintained in a detailed risk register, to the Risk Management Council.

Through this approach, the Group's 'three lines of defence' model for risk management comprises of operational management forming the first line, executive management and the Risk Management Council forming the second line and internal audit forming the third line.

The Company's principal risks and uncertainties are set out on pages 109 to 114.

Audit Committee Report continued

Risk Management Framework

Risk management is integrated into the Group's and each business unit's strategic planning, budgeting, decision-making and operations. Central to this is the continuous and systematic application of a risk management process, as shown below:

A Risk Management Framework, based on ISO 31000 and COSO principles, has been established and embedded into the Group's business activities to enable it to identify and assess key risks and define the strategies to be adopted in treating, monitoring and reporting on such risks. The risk registers prepared by each business unit provide the basis for an aggregation process, which summarises the principal risks and uncertainties facing the Group as a whole.

The key elements of the Risk Management framework are as follows:

Risk Identification
- Identifying and documenting the Group's exposure to risks relating to the achievement of its strategic objectives, categorised with reference to a risk taxonomy
- Adopting structured and methodical techniques for identifying critical risks

Risk Assessment
- Evaluating risks by estimating the likelihood of their arising, their potential financial and reputational impact, and the speed at which they may materialise, at both the inherent and residual levels
- Determining the relative significance of each risk using a risk heatmap, with four levels of residual risk

Risk Treatment
- Tolerate – accepting the risk if it is within the Group's risk appetite
- Terminate – disposing of or avoiding the risk if there is no appetite to accept it
- Risks may be accepted if mitigated to an appropriate level via:
  - Transfer – insuring against the risk or sharing it through contractual arrangements with business partners
  - Treat – redesigning controls or establishing new controls to address the risk, and monitoring the performance of these controls

Risk Reporting and Monitoring
- Periodically reviewing principal risks and uncertainties
- Monitoring the adequacy and effectiveness of risk management activity and internal controls through regular review
- Regular reporting of principal risks and uncertainties by the business units to the Board via the Audit Committee and GARM

Principal Risks and Uncertainties

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the DTRs issued by the FCA and are in addition to the matters referred to in the Chairman's Statement, Chief Executive's Review and other parts of this Annual Report.

As the risks and uncertainties described below have been newly defined and categorised for inclusion in this Annual Report for the first time, following the Group's implementation of its new strategy and operating model, no analysis regarding the relative significance of each risk and uncertainty, compared to the prior year, is provided.

Risk Relating to Execution of Strategy

Under the Group's new strategy, it will reallocate part of its financial and human resources from its current focus on build-to-sell to the development and management of integrated properties in the ultra-premium sector in Asia's gateway cities. The successfulness in executing this strategy relies on taking certain business transformations that are necessary for the strategy's implementation.

This transition will involve changes to the experience and skills that the Group requires for its management and third-party relationships as well as to its organisational model, possibly leading to temporary operational disruption or inefficiency. This could result in quality and safety standards, and hence reputation and brand, being compromised.

Furthermore, the Group's new strategy, including an increase in its AUM from US$40 billion to US$100 billion by 2035, focused on achieving ambitious goals, which may affect the Group in making the right investment decisions. Any difference in judging the market, responding to competitive trends and demonstrating agility in certain conditions could also lead to the Group not being able to execute the new strategy effectively.

Mitigation Measures

- Maintain strong leadership support to champion the strategy and address any challenges that may arise.
- Implement a comprehensive plan that outlines the potential obstacles to a successful reorganisation as well as the critical steps, resources and timeframe necessary to achieve it.
- Ensure adequate resources (financial, manpower and technological) are allocated to support the execution of the new strategies.
- Engage all relevant stakeholders early in the transition process to obtain their buy-in and support, and communicate the strategy to employees to ensure their alignment with its goals.
- Establish a robust monitoring and feedback system to track progress in the execution of the strategy, identify issues early and make necessary adjustments.

Economic Risk

Uncertainties in global and regional economies and financial markets, involving volatility in interest and exchange rates, excessive inflation, deflation or recession, can adversely affect the pricing and demand for the Group's properties. Such developments might increase the Group's operating and financing costs or reduce its occupancy rates and revenues, as well as its access to credit. This would affect the valuations for the Group's investment properties and profitability. At the same time, these developments could also impact on the performance of the Group's joint venture partners, associates, bankers, suppliers and other third parties to support it.

In addition, geopolitical instability in jurisdictions in which the Group's properties are located could lead to unfavourable market sentiment, posing a threat to its business activity and affecting strategic aspirations for growth and returns on investment. For instance, political tensions, which could result in greater protectionism, sanctions, nationalisation or expropriation, may bring impact to the global geopolitical situation outside its own markets and affect worldwide sentiment.

Mitigation Measures

- Monitor the volatile macroeconomic environment and consider economic factors in strategic and financial planning.
- Make agile adjustments to existing business plans, where appropriate, and explore new business streams and markets.
- Review pricing strategies on a regular basis.
- Conduct stress testing in relation to various economic scenarios, such as inflation or interest rate changes, to understand their potential impacts and to prepare measures to address them.

Audit Committee Report continued

Principal Risks and Uncertainties continued

Risks from Customers’ Changing Requirements and Market Competition

Customer preferences can shift due to evolving lifestyle trends, technological advancement and economic developments, necessitating continuous adaptation by the Group in order to maintain and enhance its business performance. For instance, Hong Kong’s position as a leading financial centre and luxury shopping destination may be eroded over time, leading to reduced demand for premium integrated properties, whilst over supply and changes in consumption pattern on the Chinese mainland could affect demand for high-end property. Other trends that could impact demand include preferences for decentralised office space, co-working environments, remote working and digital retailing.

If competitors are able to anticipate, understand and respond to these developments more effectively than the Group, particularly in new gateway markets, it may experience difficulty in gaining market share or lose current market share. This would result in the Group suffering a decline in financial performance and not achieving its strategic objectives for rapid growth.

Mitigation Measures

- Undertake continual upgrades and improvements to maintain the competitiveness of the Group’s portfolio.
- Maintain ongoing engagement with government authorities, local communities and public organisations.
- Enhance tenants’ experience through the provision of value-added services such as concierge and lounges.
- Foster a sense of community by organising networking events, workshops and social activities.
- Establish a customer relationship management programme and digital offering capabilities.
- Adopt best practices with respect to sustainability and transition to net zero, including executing on green building initiatives and collaborating with our tenants to achieve sustainability goals.

Investment Management Risk

To support its new strategy of recycling capital from existing lower-performing assets to investments in ultra-premium projects, the Group will need to modify its investment management lifecycle. For instance, revised approaches to the appraisal of potential investments in or for the development of ultra-premium integrated properties may be required, especially in less familiar markets. Similarly, new practices for exiting from current investments, including updated pricing and timing for their sale, is required in implementing the divestment process. The new investment management lifecycle should co-ordinate investment and divestment activities so that the objectives can be achieved. Any difficulties in executing these activities could result in the Group having a sub-optimal mix of property investments or geographic concentration that does not achieve the business transformation and growth objectives of its strategy.

Mitigation Measures

- Conduct sufficient research, due diligence and evaluation of investment opportunities.
- Maintain transparent and consistent communication with all stakeholders, including employees, investors and customers, regarding divestment decisions, to manage their expectations and address any concerns that they have.
- Develop a clear framework and levels of authority for investment decisions.
- Perform regular monitoring of performance, as well as strategic reviews, of new businesses and projects.
- Carry out continuous review of the implementation of the strategic plan.

Principal Risks and Uncertainties continued

Financial Strength and Reporting

If the Group is not able to carry out its new strategy of capital recycling at sufficient speed or with adequate returns to fund growth in new areas, its profitability may be negatively affected, as certain existing revenue streams may decline before new ones can be fully established. The Group's new strategy also seeks to bring in third-party capital to support growth. However, it may not be able to develop effective relationships with providers of third-party capital, which may adversely affect the Group's access to such capital. Any over-reliance on third-party capital under this strategy could also create financial strain, if market conditions deteriorate and the Group cannot generate sufficient returns to meet its debt obligations. These factors may eventually lead to liquidity issues and a loss of investor confidence or lower credit rating.

The Group also has exposure to market and credit risk which can also adversely impact its financial strength and funding capabilities. Its market risk includes fluctuations in foreign currencies, interest rates and the pricing of equities and debt, that could all negatively affect the value of its assets and liabilities, as well as its profitability. The Group's credit risk is primarily attributable to deposits held with banks, debt investments and exposure to tenants.

In addition, the Group faces the risk that its external financial reporting does not meet relevant regulatory requirements, possibly leading to fines or penalties as well as reputational damage or loss of investor confidence. This risk could increase as these requirements evolve and become more stringent over time, making it more challenging for the Group to ensure the integrity and timeliness of its financial reporting.

Mitigation Measures

- Conduct sufficient research and detailed cashflow forecasting to evaluate potential opportunities.
- Perform strategic reviews of the market situation and monitor exposure to changes in liquidity.
- Manage the Group's exposure to fluctuations in foreign exchange, interest rates and counterparty risk.
- Maintain adequate buffers in committed facilities to enable the Group to pursue new investment opportunities and to provide protection against market uncertainty.
- Maintain an appropriate balance between equity and debt, and between short- and long-term facilities, to provide flexibility for developing the business.
- Not undertaking speculative transactions unrelated to the Group's underlying financial exposure.
- Making ongoing developments to financial systems and controls, to ensure the integrity of financial information.
- Conducting regular internal audits of compliance with financial policies and internal controls over financial reporting.

People and Culture Risk

Ensuring that the Group has the right management talent, equipped with leadership skills and specialist expertise, is critical in enabling it to execute its new strategy effectively and to implement the required changes to its organisational model. Therefore, any significant failure to attract, retain and develop such talent could undermine this strategy as well as the Group's operational and financial performance. The transition required under the new strategy involves a potential reallocation and reskilling of resources to new roles, with these processes involving additional time and costs.

The Group also faces talent shortages in certain areas, including retail management and sustainability, for which there is high market demand. If the Group is not able to hire key talent or carry out reskilling of existing personnel in these specialisms, it may not be able to execute related initiatives successfully, undermining its operational performance and growth.

Mitigation Measures

- Active communication with employees to develop their understanding of the Group's new strategic direction.
- Enhance the Group's performance management system to reinforce its high performance culture.
- Conduct proactive manpower and succession planning.
- Enhance the Group's modern employer branding by implementing a talent development plan that includes training to up-skill staff as well as appropriate compensation and benefits.
- Implement a strategy to promote IE&D across the Group.
- Develop an employee retention programme.

Audit Committee Report continued

Principal Risks and Uncertainties continued

Health and Safety Risk

The Group faces health and safety risk in terms of the possible impact of such issues as accidents, security incidents or hygiene-related matters on its tenants. In addition, the Group's business activities include construction and renovation, hence it faces the risk of fatalities or serious injuries taking place if working conditions are unsafe or workers do not adhere to its safety procedures. If the Group fails to prevent, avoid and detect safety-related issues, even where its relevant operations are managed by third party service providers, its brand could be damaged and the trust that its tenants have in the Group eroded, especially given its focus on the luxury sector. These issues would ultimately undermine the Group's financial performance and shareholder value.

Mitigation Measures

- Ensure that all structural elements, electrical systems and plumbing in the Group's buildings are regularly inspected and maintained.
- Provide tenants with clear instructions and guidelines on emergency procedures and safety protocols.
- Establish a safety leadership culture and framework in all markets.
- Conduct regular safety training for all employees and subcontractors.
- Conduct proper contractor selection and evaluation, and incorporate site safety requirements in tenders and contracts.
- Establish a contractor safety incentive scheme.
- Conduct active monitoring of site safety through the Digital Work and Smart Site Supervision Systems.
- Establish a Group Safety Accident Investigation Committee to raise work safety awareness at construction sites. Conduct regular safety audits of operating buildings and construction sites to ensure the Group's guidelines, requirements and local regulations for safety are adhered to by both employees, vendors and contractors.
- Conduct periodic drills and tests of crisis response procedures established for safety incidents.
- Ensure that adequate insurance coverage, including employee compensation and construction all risks, is adequate and effective.

Environmental and Climate Risk

Environmental and climate-related risks are growing in significance, as shown by the increasing frequency and intensity of potentially damaging natural events and disasters, such as typhoons, storms and floods. These pose growing physical threats to the Group's properties and other assets, which could lead to safety-related issues and disruption to operations and supply chains in the future. In addition, sea level rises could adversely impact asset values and business continuity. As a result, the Group may face higher costs for implementing measures to reduce the impact of climate-related events, including physical defences and insurance. Failure on the part of the Group to manage environmental and climate risk could lead to it incurring even greater costs of recovery from climate-related events, negatively affecting its financial performance, reputation and hence ability to achieve its long-term strategic objectives.

Market pressure, from shareholders, customers, lenders, rating agencies, etc., for improving sustainability performance is also increasing. In addition, the Group has committed to certain officially published targets, including in relation to decarbonisation. It therefore faces a growing challenge in driving sustainability initiatives and delivering on sustainability performance, increasing the risk of negative media exposure or reputational damage arising if it does not meet compliance standards or other expectations. Any failure on the part of the Group to improve the quality of its reporting on climate and other sustainability-related performance, to meet these requirements, could also lead to reputational issues for the Group.

Mitigation Measures

- Implement measures to achieve the Group's targets and commitments to decarbonisation under the Science-Based Targets initiative.
- Update climate risk assessments and action plans for climate adaptation based on the recommendations of the Task Force on Climate-related Financial Disclosures, including implementing measures to address physical risks posed by climate change and identifying opportunities in the global transition to a low-carbon economy.
- Perform ongoing retrofitting of existing assets and deploy emerging PropTech solutions to drive energy efficiency.
- Increase the procurement of renewable energy, including expanding capacity for onsite renewable energy generation, to reduce carbon emissions.
- Continue implementing the Group's robust and long-standing green building certification programme to minimise the environmental impact of existing assets.
- Assess emerging sustainability reporting standards and requirements, and align the Group's disclosures with market best practice.
- Engage and collaborate with industry peers and government authorities on climate-related issues with the aim of establishing a task force aimed at addressing the risk of rising sea levels in Hong Kong.
- Enhance operations and emergency preparedness to mitigate and minimise the impact of climate-related risks.
- Maintain a Property Damage and Business Interruption insurance policy with adequate coverage, to mitigate the potential financial impact on the Group of catastrophic events.
- Make ongoing developments to systems and controls for the collection, aggregation and reporting of sustainability-related data, as well as conduct external and internal assurance reviews of the Group's sustainability reporting and governance.
- Communicate in a transparent manner the Group's efforts to enhance its performance in sustainability to its stakeholders.

Principal Risks and Uncertainties continued

Technology and Cybersecurity Risk

The Group is increasingly reliant on technology, exposing it to greater cybersecurity and privacy-related risk. Cyberattacks are becoming more frequent and sophisticated globally, posing significant threats to the Group's digital infrastructure and information technology systems. The use of digital platforms also heightens the Group's vulnerability to cyber threats. Further, disruptive technologies, such as Generative AI, introduce new types of risk, such as advanced phishing and deepfake attacks. Cyber risk is further accentuated by the Group's exposure to breaches in cybersecurity taking place at its business partners, third parties and customers, through any Group systems that are connected with those of such counterparties.

Cyberattacks may also stem from a lack of cybersecurity awareness on the part of employees, resulting in human error that cybercriminals can exploit, disrupting critical equipment and facilities used by the Group in daily operations.

If a cyberattack takes place at the Group or at its partners, third parties or customers, it may face the costs of having to recover systems, lost revenue, brand damage or regulatory action and penalties.

Mitigation Measures

- Define a cybersecurity programme and establish a centralised function to provide oversight and management of cybersecurity matters and to strengthen cyber defences and security measures.
- Engage external consultants to perform assessments of the Group's business functions against industry benchmarks.
- Perform regular vulnerability assessments, penetration testing and internal audits to identify weaknesses.
- Maintain disaster recovery plans and backup for data restoration.
- Arrange regular security awareness training for all employees and phishing testing to raise their cybersecurity awareness.
- Maintain sufficient cyber-related insurance to protect the Group's financial position from the impacts of cyberattacks.

Legal, Regulatory and Compliance Risk

The Group is continuously subject to new or changing regulations in the jurisdictions in which it operates, as well as to those with cross-jurisdictional impact, covering such matters as tax (e.g. stamp duty), employment, cybersecurity, data privacy, home ownership, capital remittances, sustainability (e.g. carbon pricing, building standards, safety, etc.) and reporting requirements. The complexity created by this regulatory environment leads to a risk that the Group inadvertently breaches its compliance obligations. As the Group embarks on its shift towards new 'gateway' cities in Asia, this risk is increased as it may not initially have sufficient internal understanding of regulations in each target jurisdiction.

If a robust approach to compliance is not maintained, the Group may face claims, lawsuits, investigations, fines and sanctions being imposed by regulatory authorities or negative media exposure, adversely affecting its operations, reputation and profitability.

Mitigation Measures

- Stay up to date on new and draft regulations in all jurisdictions in which the Group operates.
- Engage external consultants and legal experts to assess the implications of prospective or new regulations, where necessary.
- Implement a mandatory code of conduct that applies to all business functions and employees across the Group.
- Maintain a robust Corporate Governance Framework which includes a whistleblowing channel.
- Maintain an independent internal audit function that reports directly to the Group's Audit Committee on risk management, control environment and significant non-compliance matters.
- Maintain a Crime insurance policy with adequate coverage.
- Engage with government bodies, regulators and industry associations, including participating in consultations on proposed policy and regulatory changes.
- Provide regular compliance training to employees to ensure that they understand the importance of compliance.

Audit Committee Report continued

Principal Risks and Uncertainties continued

Risks from Partnerships and Other Third-Party Relationships

The effectiveness of the Group's relationships with joint venture partners and in strategic alliances with other companies, government authorities, etc., will affect its performance. These relationships create opportunities for growth, improving operational efficiency and promoting innovation. However, they also introduce risks that could lead to vicarious responsibility for the actions of these parties, causing reputational damage and undermining shareholder value. These risks could stem from these parties' operations or their non-compliance with regulatory requirements that they face. Also, disputes with such parties may arise, as a result of differences in corporate culture, priorities, management approaches and risk appetite between the Group and such parties. Furthermore, any over-reliance on certain third-parties may expose the Group to poor performance outcomes, such as delays in delivery, low service quality or data security issues.

These reputational and operational challenges could hinder the Group in achieving its strategic objectives for growth in profitability and scale.

Mitigation Measures

- Conduct thorough research, due diligence and evaluation of investment opportunities and potential business partners.
- Develop a clear framework and levels of authority for investment and partnership decisions.
- Conduct regular communication with partners and establish clear communication channels.
- Build up networks beyond local partners, such as with government authorities and the media.

Effectiveness Review of Risk Management and Internal Control Systems

The effectiveness of the Company's risk management and internal control systems is monitored by the internal audit function, which reports functionally to the Audit Committee. The internal audit function's findings and recommendations for any corrective action required are reported to the Audit Committee.

Shareholder Information

Financial Calendar

2024 full-year results announced	7 March 2025
Shares quoted ex-dividend	20 March 2025
Share registers closed	24 to 28 March 2025
Annual General Meeting to be held	2 May 2025
2024 final dividend payable	14 May 2025
2025 half-year results to be announced	29 July 2025*
Shares quoted ex-dividend	21 August 2025*
Share registers to be closed	25 to 29 August 2025*
2025 interim dividend payable	15 October 2025*

* Subject to change

Dividends

Shareholders will receive cash dividends in United States Dollars, except where 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 Pounds Sterling. These shareholders may make new currency elections for the 2024 final dividend by notifying the United Kingdom transfer agent in writing by 25 April 2025. The Pounds Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to an exchange rate prevailing on 30 April 2025.

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

Shareholders on the Singapore Branch Register who hold their shares through The Central Depository (Pte) Limited (CDP)

Shareholders who are enrolled in CDP's Direct Crediting Service (DCS)

Those shareholders who are enrolled in 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.

Shareholders who are not enrolled in CDP's DCS

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

Registrars and Transfer Agent

Shareholders should address all correspondence with regard to their shareholdings or dividends to the appropriate registrar or transfer agent.

Principal Registrar
Jardine Matheson International Services Limited, P.O. Box HM 1068, Hamilton HM EX, Bermuda

Jersey Branch Registrar
MUFG Corporate Markets (Jersey) Limited (formerly known as Link Market Services (Jersey) Limited), IFC 5, St Helier, Jersey JE1 1ST, Channel Islands

Singapore Branch Registrar
Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632

United Kingdom Transfer Agent
MUFG Corporate Markets (formerly known as Link Group), Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom

Press releases and other financial information can be accessed through the internet at www.hkland.com.

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Report of the Valuers

To Hongkong Land Holdings Limited

Dear Sirs

Revaluation of Investment Properties Held under Freehold and Leasehold

Further to your instructions, we have valued in our capacity as external valuers the investment properties held under freehold and leasehold as described in the consolidated financial statements of Hongkong Land Holdings Limited. We are of the opinion that the market value of the investment properties held under freehold in Cambodia and leasehold in China, Hong Kong and Singapore as at 31 December 2024, totalled US$24,759,900,000 (United States Dollars Twenty Four Billion Seven Hundred Fifty Nine Million Nine Hundred Thousand).

Our valuations were prepared in accordance with the International Valuation Standards by the International Valuation Standards Council and The HKIS Valuation Standards by The Hong Kong Institute of Surveyors.

We have inspected the properties without either making structural surveys or testing the services. We have been supplied with details of tenure, tenancies and other relevant information.

In arriving at our opinion, each property was valued individually, on market value basis, calculated on the net income allowing for reversionary potential, however no allowance has been made for expenses of realisation or for taxation which might arise in the event of disposal.

Yours faithfully

Jones Lang LaSalle Limited
Hong Kong, 3 February 2025

Major Property Portfolio

at 31 December 2024

Operational Investment Properties	Attributable interest %	Location	Total	Lettable area of the property Office (in thousands of square metres)	Retail
Alexandra House	100	Hong Kong	34	30	4
Chater House	100	Hong Kong	43	39	4
Exchange Square	100		139		
One Exchange Square		Hong Kong		53	–
Two Exchange Square		Hong Kong		47	–
Three Exchange Square		Hong Kong		30	–
Podium		Hong Kong		–	5
The Forum		Hong Kong		4	–
Jardine House	100	Hong Kong	63	59	4
Gloucester Tower	100	Hong Kong	41	40	1
Landmark Atrium	100	Hong Kong	15	–	15
Edinburgh Tower	100	Hong Kong	44	31	13
York House	100	Hong Kong	10	10	–
Prince's Building	100	Hong Kong	47	36	11
WF CENTRAL	84	Beijing	42	–	42
ONE CENTRAL	49	Macau	14	–	14
One Raffles Link	100	Singapore	29	23	6
One Raffles Quay	33		123		
North Tower		Singapore		71	–
South Tower		Singapore		52	–
Marina Bay Financial Centre	33		284		
Tower 1		Singapore		57	3
Tower 2		Singapore		94	6
Tower 3		Singapore		116	8
World Trade Centre 1	50	Jakarta	42	36	6
World Trade Centre 2	50	Jakarta	60	56	4
World Trade Centre 3	50	Jakarta	72	69	3
World Trade Centre 5	50	Jakarta	15	14	1
World Trade Centre 6	50	Jakarta	19	17	2
EXCHANGE SQUARE	100	Phnom Penh	26	17	9

Build-to-sell	Attributable interest %	Location	Total	Developable area of the property Construction completed	Under construction/ to be developed
				(in thousands of square metres)	
Shougang Project	20	Beijing	198	–	198
Artistic Bay	100	Chengdu	99	99	–
WE City	100	Chengdu	926	903	23
Central Avenue	50	Chongqing	1,119	1,014	105
Century Land	100	Chongqing	206	206	–
Eternal Land	50	Chongqing	278	104	174
Landmark Riverside	50	Chongqing	1,327	1,125	202
New Guanyinqiao Project	40	Chongqing	301	–	301
Re City	100	Chongqing	279	13	266
Scholar's Mansion	50	Chongqing	318	286	32
Yorkville North	100	Chongqing	1,116	1,116	–
Hangzhou Bay	30	Hangzhou	788	525	263
Grand Mansion	100	Nanjing	93	93	–
JL Central	50	Nanjing	255	255	–
Yue City	48	Nanjing	266	86	180
Century Origin	34	Shanghai	81	–	55
Galaxy Midtown	26.7	Shanghai	411	121	290
West Bund	43	Shanghai	285	57	228
Dream Land	100	Wuhan	493	295	198
Lakeward Mansion	66	Wuhan	226	206	20
Origin Land	100	Wuhan	212	146	66
Peak View	50	Wuhan	67	67	–
Copen Grand	50	Singapore	68	–	68
ELTA	51	Singapore	51	–	51
Nava Grove	50	Singapore	57	–	57
Piccadilly Grand	50	Singapore	41	–	41
Tembusu Grand	49	Singapore	64	–	64
Altea	37.5	Jakarta	395	–	395
Ammaia	50	Jakarta	242	–	242
Arumaya	40	Jakarta	30	30	–
Asya	50	Jakarta	488	129	359
Avania	50	Jakarta	124	–	124
Nava Park	49	Jakarta	474	286	188
Project Emerald	24.5	Jakarta	425	–	425
King Kaew	49	Bangkok	180	52	128
Nonthaburi	49	Bangkok	230	132	98

Hongkong Land Holdings Limited

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