

## **Announcement**

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

### **HONGKONG LAND HOLDINGS LIMITED Interim Management Statement**

5th May 2021 – Hongkong Land Holdings Limited today issues an Interim Management Statement for the first quarter of 2021.

The Group continues to operate in a challenging environment and uncertainty remains about the duration of COVID-19 and the impact it will have on the Group's full-year underlying performance. The Group's balance sheet remains strong and well-financed.

The Group's Investment Properties portfolio continued to demonstrate resilience in the period, underpinned by its high-quality tenant base and active lease management, whilst the Development Properties business benefited from improving market conditions on the Chinese mainland and in Singapore.

In Hong Kong, rental reversions in the Group's Hong Kong Central office portfolio were negative, reflecting the general decrease in rents since the onset of the pandemic. Physical vacancy at 31st March 2021 was 7.6%, compared to 6.3% at the end of 2020. On a committed basis, vacancy was 6.8%, compared to 5.9% at the end of 2020. However, new office leasing activity saw a modest increase in the period as a result of improved sentiment and a narrowing rental gap between Central and other parts of the city.

The Group's Central retail portfolio benefited from marginally better trading conditions in the quarter compared to the prior year, although luxury retail sentiment remains weak relative to pre-pandemic levels. Base rental reversions were negative, reflecting lower retail rents across Hong Kong. The Group continued to provide temporary rent relief to support its tenants on a case-by-case basis. Physical vacancy at 31st March 2021 was 1.7% compared to 0.3% at the end of 2020. On a committed basis, vacancy was 0.4%, compared to 0.3% at the end of 2020.

- more -

Rental reversions in the Group's Singapore office portfolio were mildly negative in the period, although they are expected to turn positive before the end of June as tenants take up committed space. Physical vacancy increased to 7.9% at 31st March 2021 from 2.1% at the end of 2020 due to the timing of new tenant occupancy. On a committed basis, however, vacancy remained low at 3.0%, compared to 2.1% at the end of 2020.

In Beijing, the trading performance at WF CENTRAL continued to benefit from the strength of luxury retail sentiment on the Chinese mainland, with first quarter tenant sales exceeding those achieved in the equivalent period in 2020.

In Shanghai, construction has commenced at the Group's prime mixed-use joint development on the West Bund, with completion in multiple phases to 2027.

In Development Properties, the Group's attributable interest in contracted sales on the Chinese mainland was US\$410 million in the first quarter, compared to US\$107 million in the equivalent period in 2020, due to the effect of pandemic-related suspensions of sales and development activities in the prior year. In Singapore, the Group's attributable interest in contracted sales was US\$89 million in the quarter, compared to US\$170 million in the equivalent period in 2020, due to the timing of sales launches, although buyer sentiment improved.

Hongkong Land participated in a number of land auctions on the Chinese mainland during the first quarter, but it remained difficult to secure new sites due to a highly competitive primary land market.

In the rest of Southeast Asia, construction activities at the Group's Development Properties projects remain partially curtailed by the pandemic and market sentiment remains subdued.

The Group's financial position remains strong. Net debt at 31st March 2021 was US\$4.2 billion, compared to US\$4.6 billion at the end of 2020. Committed liquidity was US\$4.3 billion, unchanged from the end of 2020.

Hongkong Land is a major listed property investment, management and development group. The Group owns and manages more than 850,000 sq. m. of prime office and luxury retail property in key Asian cities, principally in Hong Kong, Singapore, Beijing and Jakarta. The Group also has a number of high quality residential, commercial and mixed-use projects under development in cities across China and Southeast Asia. In Singapore, its subsidiary, MCL Land, is a well-established residential developer. Hongkong Land Holdings Limited is incorporated in Bermuda and has a standard listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Group's assets and investments are managed from Hong Kong by Hongkong Land Limited. Hongkong Land is a member of the Jardine Matheson Group.

- end -

For further information, please contact:

Hongkong Land Limited

Robert Wong

(852) 2842 8428

Simon Dixon

(852) 2842 8101

Mark Lam

(852) 2842 8211

Brunswick Group Limited

Andrea Ngai

(852) 3512 5093

This and other Group announcements can be accessed through the Internet at '[www.hkland.com](http://www.hkland.com)'.