

## News Release

To: Business Editor

3rd August 2017  
For immediate release

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

### HONGKONG LAND HOLDINGS LIMITED HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2017

#### Highlights

- Underlying profit up 32%
- Positive performance from investment properties
- Higher sales completions
- New property developments in Singapore, Nanjing and Wuhan

"The good performance of the Group's investment property portfolio is expected to continue in the second half of the year, although the contribution from development properties will not benefit from further sales completions in Singapore."

Ben Keswick  
Chairman

#### Results

	(unaudited) Six months ended 30th June		
	2017 US\$m	2016 US\$m	Change %
Underlying profit attributable to shareholders <sup>#</sup>	517	393	+32
Profit attributable to shareholders	3,125	1,263	+147
Shareholders' funds	34,221	31,294*	+9
Net debt	1,882	2,008*	-6
	US¢	US¢	%
Underlying earnings per share <sup>#</sup>	21.99	16.70	+32
Earnings per share	132.83	53.70	+147
Interim dividend per share	6.00	6.00	-
	US\$	US\$	%
Net asset value per share	14.54	13.30*	+9
<sup>#</sup> 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 8 to the condensed financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance. * At 31st December 2016			

The interim dividend of US¢6.00 per share will be payable on 19th October 2017 to shareholders on the register of members at the close of business on 25th August 2017.

- more -

**HONGKONG LAND HOLDINGS LIMITED**  
**HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2017**

**OVERVIEW**

The Group's investment properties produced an increased contribution due to higher average rents achieved in Hong Kong. Of the Group's development properties, being residential and mixed-use projects developed for sale in the short to medium-term, higher sales completions led to increased profits in both mainland China and Singapore.

**PERFORMANCE**

During the first half of the year, the Group's underlying profit attributable to shareholders was US\$517 million, compared with US\$393 million in 2016. The profit attributable to shareholders was US\$3,125 million after accounting for a net gain of US\$2,608 million arising on the revaluation of the Group's investment properties. This compares with a profit of US\$1,263 million in 2016, after a net revaluation gain of US\$870 million.

The net asset value per share at 30th June 2017 was US\$14.54, compared to US\$13.30 at 31st December 2016.

The Directors have declared an unchanged interim dividend of US¢6.00 per share.

**GROUP REVIEW**

***Investment Properties***

In Hong Kong, office rental reversions were positive as market supply remained tight. Vacancy in the Group's Central office portfolio at 30th June 2017 was 1.5%, compared with 2.2% at the end of 2016 and 3.1% at 30th June 2016. The Group's average office rent rose to HK\$106 per sq. ft, compared to HK\$103 per sq. ft in both the first and second halves of 2016. The Group's Central retail portfolio was 99.4% occupied, compared to 100% at the end of 2016 and at 30th June 2016. While base rents were little changed on reversion, the positive reversions seen in 2016 led to the average retail rent increasing to HK\$224 per sq. ft, compared with HK\$216 per sq. ft and HK\$220 per sq. ft in the first and second halves of 2016, respectively.

Mildly negative rental reversions continued in the Group's Singapore office portfolio, reflecting the current relative surplus of market supply, with vacancy at the end of

June of 0.2% compared with 0.1% at the end of 2016 and 1.0% at 30th June 2016. The average office rent decreased slightly to S\$9.1 per sq. ft, compared with S\$9.4 per sq. ft and S\$9.2 per sq. ft in the first and second halves of 2016, respectively.

In mainland China, the construction and leasing of the Group's luxury retail and hotel complex in Beijing, WF CENTRAL in Wangfujing, is progressing well, with the retail component scheduled to open in late 2017 and the 74-room Mandarin Oriental hotel in 2018. In Jakarta, the 73,000 sq. m. fifth tower at Jakarta Land, the Group's 50%-owned joint venture, is due to complete in early 2018. In Cambodia, space in the Group's 26,000 sq. m. prime mixed-use complex is being progressively taken up by tenants.

In June 2017, a joint venture agreement was reached to construct and manage a well-located site within the Marina Bay Financial District of Singapore with a developable area of 120,000 sq. m. The Group will have a 33% interest in the project, which will be connected to its existing portfolio in the district.

### ***Development Properties***

In mainland China the business benefited from further completions of primarily residential units and positive market sentiment, resulting in both an increase in overall contracted sales and an improved profit contribution. The attributable interest in contracted sales in mainland China was US\$701 million in the first half of 2017, compared to US\$432 million and US\$673 million in the first and second halves of 2016, respectively. At 30th June 2017, the Group had US\$1,421 million in sold but unrecognised contracted sales, compared with US\$1,083 million at the end of 2016.

During the period, the Group entered into two new markets in mainland China. In February 2017, a conditional agreement was reached to develop jointly a mixed-use site in Wuhan, with a developable area of 494,000 sq. m., in which the Group will have a 50% interest. In April 2017, an agreement was signed to develop jointly a mixed-use site in Nanjing, with a developable area of 217,000 sq. m., in which the Group will have a 33% interest. Both projects will be developed over multiple phases through to 2021.

Results from the Group's residential development activities in Singapore reflected the recognition of profit on the 699-unit LakeVille project, which was completed during the

first half of the year, while there were no completions in the first half of 2016. Pre-sales continued at the Sol Acres and Lake Grande projects with satisfactory results. In May 2017, the Group won a tender for a residential site with a developable area of 98,000 sq. m., which is expected to complete in 2021.

Of the Group's other properties, three joint venture residential projects in Indonesia are advancing on schedule. In the Philippines, satisfactory progress is being made in the construction of a 40%-owned 182-unit luxury apartment block in Manila and a 40%-owned mixed-use development in Cebu. In Thailand, the Group entered into a 49%-held joint venture to develop a residential site, with a developable area of 38,000 sq. m. Construction is expected to commence in early 2018 and will complete in 2020.

### ***Financing***

The Group's financial position remains strong with net debt of US\$1.9 billion at 30th June 2017, down from US\$2.0 billion at the end of 2016. Net gearing was 5%, compared with 6% at the end of the year.

### **OUTLOOK**

The good performance of the Group's investment property portfolio is expected to continue in the second half of the year, although the contribution from development properties will not benefit from further sales completions in Singapore.

Ben Keswick  
*Chairman*

**Hongkong Land Holdings Limited**  
**Consolidated Profit and Loss Account**

	(unaudited) Six months ended 30th June			2016			Year ended 31st December 2016		
	2017								
	Underlying business performance US\$m	Non- trading items US\$m	Total US\$m	Underlying business performance US\$m	Non- trading items US\$m	Total US\$m	Underlying business performance US\$m	Non- trading items US\$m	Total US\$m
Revenue ( <i>note 2</i> )	<b>1,296.7</b>	-	<b>1,296.7</b>	782.8	-	782.8	1,993.9	-	1,993.9
Net operating costs ( <i>note 3</i> )	<b>(786.4)</b>	-	<b>(786.4)</b>	(327.3)	-	(327.3)	(1,023.3)	-	(1,023.3)
Change in fair value of investment properties	-	<b>2,693.6</b>	<b>2,693.6</b>	-	986.2	986.2	-	2,549.9	2,549.9
Asset impairment reversals	-	-	-	-	-	-	-	1.2	1.2
Operating profit ( <i>note 4</i> )	<b>510.3</b>	<b>2,693.6</b>	<b>3,203.9</b>	455.5	986.2	1,441.7	970.6	2,551.1	3,521.7
Financing charges	<b>(57.4)</b>	-	<b>(57.4)</b>	(54.4)	-	(54.4)	(110.4)	-	(110.4)
Financing income	<b>21.6</b>	-	<b>21.6</b>	22.1	-	22.1	41.5	-	41.5
Net financing charges	<b>(35.8)</b>	-	<b>(35.8)</b>	(32.3)	-	(32.3)	(68.9)	-	(68.9)
Share of results of associates and joint ventures ( <i>note 5</i> )	<b>135.3</b>	<b>(76.4)</b>	<b>58.9</b>	59.6	(120.9)	(61.3)	117.0	(57.9)	59.1
Profit before tax	<b>609.8</b>	<b>2,617.2</b>	<b>3,227.0</b>	482.8	865.3	1,348.1	1,018.7	2,493.2	3,511.9
Tax ( <i>note 6</i> )	<b>(91.5)</b>	<b>0.1</b>	<b>(91.4)</b>	(89.0)	1.0	(88.0)	(168.1)	0.8	(167.3)
Profit after tax	<b>518.3</b>	<b>2,617.3</b>	<b>3,135.6</b>	393.8	866.3	1,260.1	850.6	2,494.0	3,344.6
Attributable to:									
Shareholders of the Company	<b>517.4</b>	<b>2,607.9</b>	<b>3,125.3</b>	392.8	870.6	1,263.4	847.8	2,498.5	3,346.3
Non-controlling interests	<b>0.9</b>	<b>9.4</b>	<b>10.3</b>	1.0	(4.3)	(3.3)	2.8	(4.5)	(1.7)
	<b>518.3</b>	<b>2,617.3</b>	<b>3,135.6</b>	393.8	866.3	1,260.1	850.6	2,494.0	3,344.6
	US¢		US¢	US¢		US¢	US¢		US¢
Earnings per share ( <i>note 7</i> )	<b>21.99</b>		<b>132.83</b>	16.70		53.70	36.03		142.23

---

**Hongkong Land Holdings Limited**  
**Consolidated Statement of Comprehensive Income**


---

	2017 US\$m	(unaudited) Six months ended 30th June 2016 US\$m	Year ended 31st December 2016 US\$m
Profit for the period	<b>3,135.6</b>	1,260.1	3,344.6
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	-	-	(1.2)
Tax on items that will not be reclassified	-	-	0.2
	-	-	(1.0)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences	<b>(25.1)</b>	26.4	(172.1)
Revaluation of other investments	<b>36.7</b>	(7.9)	(9.1)
Cash flow hedges			
- net (loss)/gain arising during the period	<b>(31.4)</b>	36.0	41.8
- transfer to profit and loss	<b>(1.6)</b>	(1.3)	(2.5)
	<b>(33.0)</b>	34.7	39.3
Tax relating to items that may be reclassified	<b>5.4</b>	(5.7)	(6.5)
Share of other comprehensive income/(expense) of associates and joint ventures	<b>125.7</b>	52.0	(144.9)
	<b>109.7</b>	99.5	(293.3)
Other comprehensive income/(expense) for the period, net of tax	<b>109.7</b>	99.5	(294.3)
Total comprehensive income for the period	<b>3,245.3</b>	1,359.6	3,050.3
Attributable to:			
Shareholders of the Company	<b>3,232.9</b>	1,364.0	3,055.2
Non-controlling interests	<b>12.4</b>	(4.4)	(4.9)
	<b>3,245.3</b>	1,359.6	3,050.3

---

---

**Hongkong Land Holdings Limited**  
**Consolidated Balance Sheet**


---

	2017 US\$m	(unaudited) At 30th June 2016 US\$m	At 31st December 2016 US\$m
<b>Net operating assets</b>			
Tangible fixed assets	50.0	36.6	44.9
Investment properties ( <i>note 10</i> )	30,360.0	26,079.4	27,712.3
Associates and joint ventures	4,659.3	4,583.6	4,460.7
Other investments	88.4	53.3	52.2
Non-current debtors	36.8	80.8	60.1
Deferred tax assets	11.0	9.4	8.7
Pension assets	-	0.1	-
Non-current assets	<u>35,205.5</u>	30,843.2	32,338.9
Properties for sale	1,971.7	2,745.6	2,217.4
Current debtors	564.4	377.1	480.3
Current tax assets	19.0	18.5	9.2
Bank balances	<u>1,902.0</u>	<u>1,560.3</u>	<u>1,908.9</u>
Current assets	<u>4,457.1</u>	<u>4,701.5</u>	<u>4,615.8</u>
Current creditors	(1,354.1)	(1,640.2)	(1,490.3)
Current borrowings ( <i>note 11</i> )	(364.4)	(18.8)	(220.7)
Current tax liabilities	<u>(116.9)</u>	<u>(119.9)</u>	<u>(80.0)</u>
Current liabilities	<u>(1,835.4)</u>	<u>(1,778.9)</u>	<u>(1,791.0)</u>
Net current assets	2,621.7	2,922.6	2,824.8
Long-term borrowings ( <i>note 11</i> )	(3,419.4)	(3,863.0)	(3,695.7)
Deferred tax liabilities	(122.9)	(101.9)	(121.5)
Pension liabilities	(2.4)	(0.2)	(1.8)
Non-current creditors	<u>(29.1)</u>	<u>(26.8)</u>	<u>(30.3)</u>
	<u>34,253.4</u>	<u>29,773.9</u>	<u>31,314.4</u>
<b>Total equity</b>			
Share capital	235.3	235.3	235.3
Share premium	386.9	386.9	386.9
Revenue and other reserves	<u>33,599.3</u>	<u>29,121.0</u>	<u>30,672.2</u>
Shareholders' funds	34,221.5	29,743.2	31,294.4
Non-controlling interests	<u>31.9</u>	<u>30.7</u>	<u>20.0</u>
	<u>34,253.4</u>	<u>29,773.9</u>	<u>31,314.4</u>

---

**Hongkong Land Holdings Limited**  
**Consolidated Statement of Changes in Equity**

	Share capital US\$m	Share premium US\$m	Revenue reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Attributable to shareholders of the Company US\$m	Attributable to non-controlling interests US\$m	Total equity US\$m
<b>Six months ended 30th June 2017 (unaudited)</b>								
At 1st January 2017	235.3	386.9	31,093.6	18.6	(440.0)	31,294.4	20.0	31,314.4
Total comprehensive income	-	-	3,162.0	(30.0)	100.9	3,232.9	12.4	3,245.3
Dividends paid by the Company (note 9)	-	-	(305.8)	-	-	(305.8)	-	(305.8)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(0.5)	(0.5)
At 30th June 2017	<u>235.3</u>	<u>386.9</u>	<u>33,949.8</u>	<u>(11.4)</u>	<u>(339.1)</u>	<u>34,221.5</u>	<u>31.9</u>	<u>34,253.4</u>
<b>Six months ended 30th June 2016 (unaudited)</b>								
At 1st January 2016	235.3	386.9	28,205.8	(9.1)	(133.9)	28,685.0	35.4	28,720.4
Total comprehensive income	-	-	1,255.5	24.6	83.9	1,364.0	(4.4)	1,359.6
Dividends paid by the Company (note 9)	-	-	(305.8)	-	-	(305.8)	-	(305.8)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(0.3)	(0.3)
At 30th June 2016	<u>235.3</u>	<u>386.9</u>	<u>29,155.5</u>	<u>15.5</u>	<u>(50.0)</u>	<u>29,743.2</u>	<u>30.7</u>	<u>29,773.9</u>

Total comprehensive income for the six months ended 30th June 2017 included in revenue reserves mainly comprises profit attributable to shareholders of the Company of US\$3,125.3 million (2016: US\$1,263.4 million) and a fair value gain on other investments of US\$36.7 million (2016: a loss of US\$7.9 million). The cumulative fair value gain on other investments amounted to US\$51.1 million (2016: US\$15.6 million).

(Consolidated Statement of Changes in Equity continued on page 9)



---

**Hongkong Land Holdings Limited**  
**Consolidated Statement of Changes in Equity (continued)**


---

	Share capital US\$m	Share premium US\$m	Revenue reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Attributable to shareholders of the Company US\$m	Attributable to non- controlling interests US\$m	Total equity US\$m
Year ended 31st December 2016								
At 1st January 2016	235.3	386.9	28,205.8	(9.1)	(133.9)	28,685.0	35.4	28,720.4
Total comprehensive income	-	-	3,336.2	27.7	(308.7)	3,055.2	(4.9)	3,050.3
Dividends paid by the Company	-	-	(447.0)	-	-	(447.0)	-	(447.0)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(4.2)	(4.2)
Unclaimed dividends forfeited	-	-	0.5	-	-	0.5	-	0.5
Change in interests in subsidiaries	-	-	(1.9)	-	2.6	0.7	(6.3)	(5.6)
At 31st December 2016	<u>235.3</u>	<u>386.9</u>	<u>31,093.6</u>	<u>18.6</u>	<u>(440.0)</u>	<u>31,294.4</u>	<u>20.0</u>	<u>31,314.4</u>

The comprehensive income for the year ended 31st December 2016 included in revenue reserves mainly comprises profit attributable to shareholders of the Company of US\$3,346.3 million and a fair value loss on other investments of US\$9.1 million. The cumulative fair value gain on other investments amounted to US\$14.4 million.

---

**Hongkong Land Holdings Limited**  
**Consolidated Cash Flow Statement**

	(unaudited) Six months ended 30th June <b>2017</b> <b>US\$m</b>	2016 US\$m	Year ended 31st December 2016 US\$m
<b>Operating activities</b>			
Operating profit	<b>3,203.9</b>	1,441.7	3,521.7
Depreciation	<b>1.4</b>	1.5	3.1
Reversal of writedowns on properties for sale	<b>-</b>	(1.5)	(3.2)
Change in fair value of investment properties	<b>(2,693.6)</b>	(986.2)	(2,549.9)
Asset impairment reversals	<b>-</b>	-	(1.2)
Decrease in properties for sale	<b>323.7</b>	17.7	392.4
Increase in debtors	<b>(40.6)</b>	(20.0)	(131.7)
(Decrease)/increase in creditors	<b>(150.4)</b>	70.5	(7.5)
Interest received	<b>18.2</b>	21.2	36.4
Interest and other financing charges paid	<b>(58.0)</b>	(57.7)	(111.4)
Tax paid	<b>(61.2)</b>	(49.7)	(140.6)
Dividends from associates and joint ventures	<b>29.3</b>	29.9	88.1
Cash flows from operating activities	<b>572.7</b>	467.4	1,096.2
<b>Investing activities</b>			
Major renovations expenditure	<b>(47.3)</b>	(47.0)	(91.3)
Developments capital expenditure	<b>(52.5)</b>	(62.2)	(148.2)
Investments in and loans to associates and joint ventures	<b>(262.1)</b>	(4.7)	(104.2)
Advances and repayments from associates and joint ventures	<b>230.6</b>	33.3	102.8
Payment of deposit for a joint venture	<b>(43.5)</b>	-	(4.2)
Cash flows from investing activities	<b>(174.8)</b>	(80.6)	(245.1)
<b>Financing activities</b>			
Drawdown of borrowings	<b>74.1</b>	102.8	266.7
Repayment of borrowings	<b>(219.9)</b>	(169.6)	(240.6)
Dividends paid by the Company	<b>(302.0)</b>	(302.9)	(443.8)
Dividends paid to non-controlling shareholders	<b>(0.5)</b>	(2.1)	(4.2)
Change in interests in subsidiaries	<b>15.0</b>	-	(20.2)
Cash flows from financing activities	<b>(433.3)</b>	(371.8)	(442.1)
Net cash (outflow)/inflow	<b>(35.4)</b>	15.0	409.0
Cash and cash equivalents at beginning of period	<b>1,898.4</b>	1,565.9	1,565.9
Effect of exchange rate changes	<b>28.5</b>	(22.4)	(76.5)
Cash and cash equivalents at end of period	<b>1,891.5</b>	1,558.5	1,898.4

---

**Hongkong Land Holdings Limited**  
**Notes to Condensed Financial Statements**


---

**1. ACCOUNTING POLICIES AND BASIS OF PREPARATION**

The condensed financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed financial statements have been prepared on a going concern basis. The condensed financial statements have not been audited or reviewed by the Group's auditors pursuant to the UK Auditing Practices Board guidance on the review of interim financial information.

There are no new or amendments, which are effective in the current accounting period and relevant to the Group's operations, that have a significant effect on the Group's accounting policies. There have been no changes to the accounting policies described in the 2016 annual financial statements.

**2. REVENUE**

	Six months ended 30th June	
	<b>2017</b>	2016
	<b>US\$m</b>	US\$m
	<hr/>	<hr/>
Rental income	<b>445.5</b>	427.7
Service income	<b>67.3</b>	64.9
Sales of properties	<b>783.9</b>	290.2
	<b><u>1,296.7</u></b>	<u>782.8</u>

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

**3. NET OPERATING COSTS**

	Six months ended 30th June	
	<b>2017</b>	2016
	<b>US\$m</b>	US\$m
	<hr/>	<hr/>
Cost of sales	<b>(729.7)</b>	(280.6)
Other income	<b>6.1</b>	5.0
Administrative expenses	<b>(62.8)</b>	(51.7)
	<b><u>(786.4)</u></b>	<u>(327.3)</u>

## 4. OPERATING PROFIT

	Six months ended 30th June	
	<b>2017</b>	2016
	<b>US\$m</b>	US\$m
<i>By business</i>		
Investment Properties	<b>433.5</b>	410.6
Development Properties	<b>110.4</b>	73.4
Corporate	<b>(33.6)</b>	(28.5)
Underlying business performance	<b>510.3</b>	455.5
Change in fair value of investment properties	<b>2,693.6</b>	986.2
	<b>3,203.9</b>	1,441.7

## 5. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Six months ended 30th June	
	<b>2017</b>	2016
	<b>US\$m</b>	US\$m
<i>By business</i>		
Investment Properties		
- operating profit	<b>70.9</b>	76.4
- net financing charges	<b>(17.8)</b>	(21.0)
- tax	<b>(8.7)</b>	(8.9)
- net profit	<b>44.4</b>	46.5
Development Properties		
- operating profit	<b>195.6</b>	25.5
- net financing charges	<b>3.7</b>	1.6
- tax	<b>(105.3)</b>	(10.5)
- non-controlling interests	<b>(3.1)</b>	(3.5)
- net profit	<b>90.9</b>	13.1
Underlying business performance	<b>135.3</b>	59.6
Change in fair value of investment properties (net of deferred tax)	<b>(76.4)</b>	(120.9)
	<b>58.9</b>	(61.3)

## 6. TAX

	Six months ended 30th June	
	<b>2017</b>	2016
	<b>US\$m</b>	US\$m
Tax charged to profit and loss is analysed as follows:		
Current tax	<b>(87.7)</b>	(90.3)
Deferred tax		
- changes in fair value of investment properties	<b>0.1</b>	1.0
- other temporary differences	<b>(3.8)</b>	1.3
	<b>(91.4)</b>	(88.0)

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

Cash flow hedges	<b>5.4</b>	(5.7)
------------------	------------	-------

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

Share of tax charge of associates and joint ventures of US\$90.3 million (2016: US\$8.8 million) is included in share of results of associates and joint ventures.

## 7. EARNINGS PER SHARE

Earnings per share are calculated on profit attributable to shareholders of US\$3,125.3 million (2016: US\$1,263.4 million) and on the weighted average number of 2,352.8 million (2016: 2,352.8 million) shares in issue during the period.

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

	Six months ended 30th June			
	<b>2017</b>		2016	
	<b>US\$m</b>	<b>Earnings per share US¢</b>	US\$m	Earnings per share US¢
Underlying profit attributable to shareholders	<b>517.4</b>	<b>21.99</b>	392.8	16.70
Non-trading items (note 8)	<b>2,607.9</b>		870.6	
Profit attributable to shareholders	<b>3,125.3</b>	<b>132.83</b>	1,263.4	53.70

## 8. NON-TRADING ITEMS

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

An analysis of non-trading items is set out below:

	Six months ended 30th June	
	2017	2016
	US\$m	US\$m
Change in fair value of investment properties	2,693.6	986.2
Deferred tax on change in fair value of investment properties	0.1	1.0
Share of change in fair value of investment properties of associates and joint ventures (net of deferred tax)	(76.4)	(120.9)
Non-controlling interests	(9.4)	4.3
	<u>2,607.9</u>	<u>870.6</u>

## 9. DIVIDENDS

	Six months ended 30th June	
	2017	2016
	US\$m	US\$m
Final dividend in respect of 2016 of US¢13.00 (2015: US¢13.00) per share	<u>305.8</u>	<u>305.8</u>

An interim dividend in respect of 2017 of US¢6.00 (2016: US¢6.00) per share amounting to a total of US\$141.2 million (2016: US\$141.2 million) is declared by the Board and will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2017.

## 10. INVESTMENT PROPERTIES

	Six months ended 30th June		Year ended
	2017	2016	31st
	US\$m	US\$m	December
			2016
			US\$m
Net book value at beginning of period	27,712.3	24,957.3	24,957.3
Exchange differences	(127.1)	(12.4)	(71.0)
Additions	81.2	148.3	276.1
Increase in fair value	<u>2,693.6</u>	<u>986.2</u>	<u>2,549.9</u>
Net book value at end of period	<u>30,360.0</u>	<u>26,079.4</u>	<u>27,712.3</u>

## 11. BORROWINGS

	<b>2017</b> <b>US\$m</b>	At 30th June 2016 US\$m	At 31st December 2016 US\$m
<i>Current</i>			
Bank overdrafts	<b>10.5</b>	1.8	10.5
Current portion of long-term borrowings			
- bank loans	<b>317.3</b>	17.0	175.1
- medium term notes due 2017	<b>36.6</b>	-	35.1
	<b>364.4</b>	18.8	220.7
<i>Long-term</i>			
Bank loans	<b>557.9</b>	919.8	838.0
Medium term notes			
- due 2017	-	37.8	-
- due 2019	<b>102.4</b>	103.0	103.1
- due 2020	<b>304.1</b>	309.0	299.6
- due 2021	<b>68.0</b>	71.0	66.8
- due 2022	<b>608.5</b>	623.7	605.1
- due 2023	<b>178.3</b>	179.3	179.5
- due 2024	<b>406.2</b>	420.9	405.5
- due 2025	<b>650.9</b>	652.5	651.8
- due 2026	<b>38.4</b>	38.6	38.6
- due 2027	<b>185.0</b>	186.0	186.1
- due 2028	<b>79.2</b>	79.7	79.7
- due 2029	<b>50.6</b>	50.8	50.9
- due 2030	<b>102.5</b>	103.1	103.2
- due 2031	<b>25.3</b>	25.4	25.4
- due 2032	<b>30.2</b>	30.3	30.3
- due 2040	<b>31.9</b>	32.1	32.1
	<b>2,861.5</b>	2,943.2	2,857.7
	<b><u>3,419.4</u></b>	<u>3,863.0</u>	<u>3,695.7</u>
	<b><u>3,783.8</u></b>	<u>3,881.8</u>	<u>3,916.4</u>

## 12. FINANCIAL INSTRUMENTS

Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 30th June 2017 and 31st December 2016 are as follows:

	Loans and receivables US\$m	Derivatives used for hedging US\$m	Available- for-sale US\$m	Other financial instruments at fair value at amortised cost US\$m	Other financial instruments at fair value through profit and loss US\$m	Total carrying amount US\$m	Fair value US\$m
<b>30th June 2017</b>							
Assets							
Other investments	-	-	88.4	-	-	88.4	88.4
Debtors	305.2	20.2	-	-	11.9	337.3	337.3
Bank balances	1,902.0	-	-	-	-	1,902.0	1,902.0
	<b>2,207.2</b>	<b>20.2</b>	<b>88.4</b>	<b>-</b>	<b>11.9</b>	<b>2,327.7</b>	<b>2,327.7</b>
Liabilities							
Borrowings	-	-	-	(3,783.8)	-	(3,783.8)	(3,923.9)
Creditors excluding non-financial liabilities	-	(11.0)	-	(494.8)	-	(505.8)	(505.8)
	<b>-</b>	<b>(11.0)</b>	<b>-</b>	<b>(4,278.6)</b>	<b>-</b>	<b>(4,289.6)</b>	<b>(4,429.7)</b>
<b>31st December 2016</b>							
Assets							
Other investments	-	-	52.2	-	-	52.2	52.2
Debtors	276.3	44.5	-	-	11.8	332.6	332.6
Bank balances	1,908.9	-	-	-	-	1,908.9	1,908.9
	<b>2,185.2</b>	<b>44.5</b>	<b>52.2</b>	<b>-</b>	<b>11.8</b>	<b>2,293.7</b>	<b>2,293.7</b>
Liabilities							
Borrowings	-	-	-	(3,916.4)	-	(3,916.4)	(3,988.3)
Creditors excluding non-financial liabilities	-	(7.6)	-	(533.3)	-	(540.9)	(540.9)
	<b>-</b>	<b>(7.6)</b>	<b>-</b>	<b>(4,449.7)</b>	<b>-</b>	<b>(4,457.3)</b>	<b>(4,529.2)</b>

Fair value estimation

(i) Financial instruments that are measured at fair value

For financial instruments that are measured at fair value in the balance sheet, the corresponding fair value measurements are disclosed by level of the following fair value measurement hierarchy:

(a) *Quoted prices (unadjusted) in active markets for identical assets or liabilities ('quoted prices in active markets')*

The fair value of listed securities, which are classified as available-for-sale, is based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.



## 12. FINANCIAL INSTRUMENTS (continued)

(b) *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 and forward foreign exchange contracts are calculated by reference to market interest rates and foreign exchange rates.

There were no changes in valuation techniques during the six months ended 30th June 2017 and the year ended 31st December 2016.

The table below analyses financial instruments carried at fair value at 30th June 2017 and 31st December 2016, by the levels in the fair value measurement hierarchy:

	Quoted prices in active markets US\$m	Observable current market transactions US\$m	Total US\$m
<b>30th June 2017</b>			
Assets			
Available-for-sale financial assets			
- listed securities	88.4	-	88.4
Derivative designated at fair value			
- through other comprehensive income	-	3.2	3.2
- through profit and loss	-	17.0	17.0
	<u>88.4</u>	<u>20.2</u>	<u>108.6</u>
Liabilities			
Derivative designated at fair value			
- through other comprehensive income	-	(7.2)	(7.2)
- through profit and loss	-	(3.8)	(3.8)
	<u>-</u>	<u>(11.0)</u>	<u>(11.0)</u>
<b>31st December 2016</b>			
Assets			
Available-for-sale financial assets			
- listed securities	52.2	-	52.2
Derivative designated at fair value			
- through other comprehensive income	-	28.0	28.0
- through profit and loss	-	16.5	16.5
	<u>52.2</u>	<u>44.5</u>	<u>96.7</u>
Liabilities			
Derivative designated at fair value			
- through profit and loss	-	(7.6)	(7.6)

There were no transfers among the two categories during the six months ended 30th June 2017 and the year ended 31st December 2016.

## 12. FINANCIAL INSTRUMENTS *(continued)*

### (ii) Financial instruments that are not measured at fair value

The fair values of current debtors, bank balances, current creditors and current borrowings 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.

## 13. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 30th June 2017 and 31st December 2016 amounted to US\$819.2 million and US\$623.0 million, respectively.

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

## 14. RELATED PARTY TRANSACTIONS

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

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

### *Management fee*

The management fee payable by the Group, under an agreement entered into in 1995, to Jardine Matheson Limited ('JML') in 2017 was US\$2.6 million (2016: US\$2.0 million), being 0.5% per annum of the Group's underlying profit in consideration for management consultancy services provided by JML, a wholly-owned subsidiary of JMH.

### *Property and other services*

The Group rented properties to Jardine Matheson group members. Gross rents on such properties in 2017 amounted to US\$10.3 million (2016: US\$10.0 million).

The Group provided consultancy services to Jardine Matheson group members in 2017 amounting to US\$0.2 million (2016: US\$0.2 million).

Jardine Matheson group members provided property maintenance and other services to the Group in 2017 in aggregate amounting to US\$22.2 million (2016: US\$20.0 million).

### *Hotel management services*

Jardine Matheson group members provided hotel management services to the Group in 2017 amounting to US\$1.2 million (2016: US\$1.1 million).

### *Outstanding balances with associates and joint ventures*

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

---

## Hongkong Land Holdings Limited Principal Risks and Uncertainties

---

The Board has overall responsibility for risk management and internal control. The following have been identified previously as the areas of principal risk and uncertainty facing the Company, and they remain unchanged:

- Economic Risk and Financial Risk
- Commercial Risk
- Regulatory and Political Risk
- Terrorism, Pandemic and Natural Disasters

For greater detail, please refer to page 74 of the Company's Annual Report for 2016, a copy of which is available on the Company's website [www.hkland.com](http://www.hkland.com).

---

## Responsibility Statement

---

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

- (a) the condensed financial statements have been prepared in accordance with IAS 34; and
- (b) the interim management report includes a fair review of all information required to be disclosed by the Disclosure Guidance and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Robert Wong  
Simon Dixon

*Directors*

*The interim dividend of US\$6.00 per share will be payable on 19th October 2017 to shareholders on the register of members at the close of business on 25th August 2017. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 23rd and 24th August 2017, respectively. The share registers will be closed from 28th August to 1st September 2017, inclusive.*

*Shareholders will receive their cash dividends in United States dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2017 interim dividend by notifying the United Kingdom transfer agent in writing by 29th September 2017. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 4th October 2017.*

*Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends in sterling only as calculated above. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive their cash dividends in United States dollars unless they elect, through CDP, to receive Singapore dollars.*

*Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 25th August 2017, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, no later than 5.00 p.m. (local time) on 24th August 2017.*

## **Hongkong Land Group**

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

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

Its Hong Kong Central portfolio represents some 450,000 sq. m. of prime property. It has a further 165,000 sq. m. of prestigious office space in Singapore mainly held through joint ventures, and a 50% interest in a leading office complex in Central Jakarta. The Group also has a number of high quality residential and mixed-use projects under development in cities across Greater China and Southeast Asia, including a luxury retail centre at Wangfujing in Beijing. 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

Brunswick Group Limited

Marie Filotti

(852) 3512 5059

As permitted by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in the United Kingdom, the Company will not be posting a printed version of the Half-Yearly Results announcement to shareholders. The Half-Yearly Results announcement will remain available on the Company's website, [www.hkland.com](http://www.hkland.com), together with other Group announcements.