Annual Report 2015

Hongkong Land Holdings Limited

Landmark Riverside, a joint venture residential development in Chongqing's Central Business District (front cover).

Jardines
A member of the Jardine Matheson Group

Contents

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 as its primary listing, with secondary listings in Bermuda and Singapore. The Group's assets and investments are managed from Hong Kong by Hongkong Land Limited. Hongkong Land is a member of the Jardine Matheson Group.

Corporate Information

Directors

Ben Keswick Chairman and Managing Director
Y.K. Pang Chief Executive
Charles Allen-Jones
Mark Greenberg
Adam Keswick
Sir Henry Keswick
Simon Keswick
Lord Leach of Fairford
Dr Richard Lee
Anthony Nightingale
Lord Powell of Bayswater, KCMG
Lord Sassoon, Kt
James Watkins
Percy Weatherall
John R. Witt
Michael Wei Kuo Wu

Company Secretary

Neil M. McNamara

Registered Office

Jardine House
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Hamilton
Bermuda

Hongkong Land Limited

Directors

Ben Keswick Chairman
Y.K. Pang Chief Executive
R.M.J. Chow
K. Foo
R.L. Garman
Mark Greenberg
Adam Keswick
D.P. Lamb
Jeremy Parr
James Riley
J.A. Robinson
John R. Witt Chief Financial Officer
R. Wong

Corporate Secretary

Neil M. McNamara

Highlights

- **Sound result in 2015**
- **Continued strong performance from commercial portfolio**
- **Entry into Shanghai with prime mixed-use site**
- **Stable asset values**

Results

	2015 **US$m**	2014 US$m	Change %
Underlying profit attributable to shareholders*	**905**	930	(3)
Profit attributable to shareholders	**2,012**	1,327	52
Shareholders' funds	**28,685**	27,548	4
Net debt	**2,341**	2,657	(12)
	US¢	US¢	%
Underlying earnings per share*	**38.44**	39.52	(3)
Earnings per share	**85.50**	56.42	52
Dividends per share	**19.00**	19.00	–
	US$	US$	%
Net asset value per share	**12.19**	11.71	4

* The Group uses 'underlying profit attributable to shareholders' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in Note 1 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

Chairman's Statement

Overview

Hongkong Land produced a sound performance in 2015, although modestly lower than the record results achieved in the past two years. Results from the Group's commercial portfolio continued to be strong, despite the contribution from Singapore being lower in US dollar terms. Earnings from the residential sector declined, although an improvement was seen in mainland China and there was a gain recognised on a redeveloped property in Hong Kong.

Performance

Underlying profit attributable to shareholders was US$905 million, a 3% decrease from 2014. Taking into account the net non-trading gains of US$1,107 million recorded principally on property valuations of the Group's investment properties, the profit attributable to shareholders for the year was US$2,012 million. This compares to US$1,327 million in 2014, which included net valuation gains of US$397 million.

The net asset value per share at 31st December 2015 was US$12.19, compared with US$11.71 at the end of 2014.

The Directors are recommending a final dividend of US¢13.00 per share, providing a total dividend for the year of US¢19.00 per share, unchanged from the previous year.

Group Review

Commercial Property

In Hong Kong, demand saw some improvement against a background of little additional supply of premium grade space. Vacancy in the Group's Central office portfolio was 3.4% at the year end, down from 4.2% at 30th June 2015. Rental reversions were marginally positive, and the Group's average office rent was HK$101 per sq. ft, slightly down from 2014 due to timing differences of leases. The Group's retail portfolio remained fully occupied and positive rent reversions continued. The average retail rent rose 3% to HK$221 per sq. ft.

In Singapore, vacancy in the Group's office portfolio at the year end rose to 3.0%, compared with 1.9% at the end of June. The year end vacancy would, however, have been 1.0% if space already committed under new leases had been taken into account.

In mainland China, construction of the Group's prestigious retail complex in Beijing, WF CENTRAL, is progressing satisfactorily. The project, which is located on a prime site at Wangfujing, is now scheduled to open in the first half of 2017.

Residential Developments

As anticipated, the contribution from the Group's residential projects was lower than in 2014.

In Hong Kong, while there was a US$63 million gain from the redevelopment of a residential property owned by the Group, the overall contribution declined due to the absence of Serenade sales which had benefited the prior year's result.

In mainland China, the Group produced a good performance from its wholly-owned and joint venture projects despite challenging market conditions. Profits were higher than in 2014, when the results had been reduced by US$38 million in provisions relating to the Shenyang joint ventures. Revenue recognised during the year, however, including the Group's attributable interest in joint ventures, declined by 19%. The Group's attributable interest in contracted sales for the full year were 26% higher at US$802 million in 2015, which included sales from a new project in the Pudong District of Shanghai.

In 2015, the Group undertook two new developments. In July, the Group acquired jointly with its existing partner, Longfor Properties, two residential sites adjacent to the Bamboo Grove joint venture project in Chongqing, thereby consolidating further its market position in the area. In September, a 50% joint venture was entered into to develop a project located in an established area of Pudong, within Shanghai's inner-ring road. The project will comprise residential and commercial components, with a total developable area of approximately 227,000 sq. m.

In April, the Group disposed of its Park Life joint venture in Shenyang.

In Singapore, at the Group's wholly-owned subsidiary MCL Land, three projects were completed in 2015 including Ripple Bay in the second half of the year. However, the contribution was lower than in 2014 which benefited from significantly higher provision writebacks.

In Indonesia, satisfactory progress continues to be made at the 49%-owned joint venture project, Nava Park, and the 40%-owned joint venture project, Anandamaya Residences. Construction is also progressing well in the Philippines at the Group's 40%-owned 182-unit luxury development, Two Roxas Triangle, in Manila.

Financing

The Group's financial position remained strong with net debt of US$2.3 billion at 31st December 2015, down from US$2.7 billion at the end of 2014. Gearing at the end of the year was 8%, compared with 10% in the prior year.

People

On behalf of the Board, I would like to thank all of our staff for their ongoing dedication and commitment to our tenants and customers and to the operations of the Group itself. Their drive and professionalism provides a strong foundation for our continuing success.

Y.K. Pang will step down as Chief Executive on 31st July 2016, while remaining a director of the Group, to become deputy managing director of Jardine Matheson. He will be succeeded by Robert Wong, currently responsible for the Group's residential developments. In addition, John Witt will step down as Chief Financial Officer on 31st March 2016 to take up the position of group finance director of Jardine Matheson, and will be replaced on 28th April by Simon Dixon, currently the finance director of Astra International. We are grateful to Y.K. and John for their leadership and significant contributions to the Group over the past years.

Outlook

While trading profits from the Group's operations should remain sound in 2016, a reduced contribution from residential developments is expected to result in underlying earnings being lower.

Ben Keswick
Chairman
3rd March 2016

Chief Executive's Review

Hongkong Land continued to perform well in 2015 with a continued strong contribution from its commercial property portfolio. Despite increased operating profits from the Group's residential projects in China and Singapore when compared to the prior year, the results reflected the absence of sales in Hong Kong and lower reversal of writedowns in Singapore. Nevertheless, the Group remains well positioned in its key markets in Greater China and Southeast Asia and continues to seek new development opportunities.

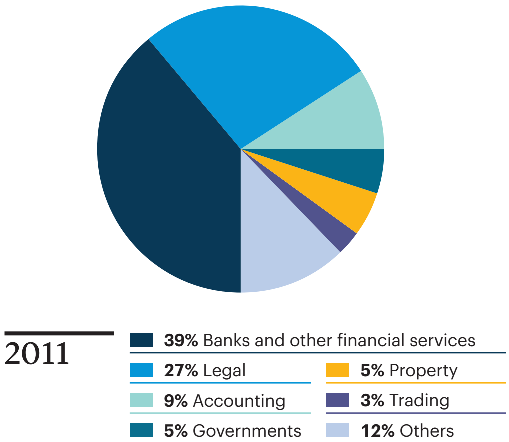
Strategy

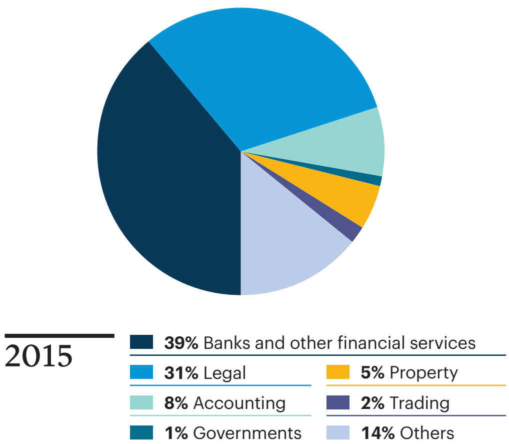
The Group's commercial portfolios in Hong Kong and Singapore continue to be its most important investments, located in the heart of these two key Asian financial centres. The location, quality and scale of these assets strengthen Hongkong Land's competitive position and prominent presence in the Region, while providing a steady stream of earnings. These are the foundations of the Group's stable financial strength that enable it to continue to grow its portfolio in its core markets in Greater China and Southeast Asia.

The recurring source of earnings at the residential business continues to stabilise as the scale of the mainland China operations grows. The Group's share in the developable area of its projects totals 5.3 million sq. m. across five cities in China, including Shanghai, the latest addition to the portfolio. Of the 5.3 million sq. m., construction on only 1.4 million sq. m., or 27%, had been completed by the end of 2015. The projects are well-positioned to provide future earnings from further completions over the coming years. In Singapore, MCL Land, the Group's wholly-owned residential developer, remains a core contributor to earnings and maintains a steady pipeline of projects. Meanwhile, the joint venture projects in Indonesia and the Philippines are still at early stages of development, but will provide additional sources of income as these projects mature in the coming years.

Hong Kong's Central Portfolio

In Hong Kong, the Central portfolio consists of 12 buildings that form the heart of the financial district. These inter-linked buildings, representing over 450,000 sq. m. of Grade A office and luxury retail space, are firmly positioned as the pre-eminent office, retail, restaurant and hotel destination in the city. They continue to be managed as an integrated mixed-use development, and are a unique offering in Hong Kong. The portfolio continues to attract both prime office tenants and luxury retailers who demand the highest quality and service. As a core financial and business centre in Asia, Hong Kong's economic conditions are naturally affected by the global environment. Rental rates and vacancy at the Group's portfolio have, however, remained resilient in the face of uncertain economic factors. This is mainly due to the scarcity of supply of high quality space in the core business district.





Central portfolio office tenant profile by area occupied

Central portfolio top five office tenants (in alphabetical order)
in 2015

ANZ
BNP Paribas
JP Morgan
KPMG
PricewaterhouseCoopers

Central portfolio top five retail tenants (in alphabetical order)
in 2015

Armani Group
Dickson Concepts
Kering
LVMH Group
Richemont Group

The Group's retail portfolio, which is integrated with the office buildings, is critical to the success of the Group's unique mixed-use business model. The portfolio includes the most prestigious global retail brands in over 54,000 sq. m. of prime retail space, with a significant number of luxury brand flagship stores. The restaurants across the portfolio, which have been accorded a total of ten Michelin stars, are performing well and attract customers to Central throughout the day and in the evenings.

Commercial Property Investments in Asia

Outside Hong Kong, the Group has similarly established itself as a leading provider of office and retail space over recent years. In Singapore, Hongkong Land's attributable interests of 160,000 sq. m. include some of the finest premium Grade A office space in the market, principally in the Marina Bay Area. In Indonesia, Jakarta Land, the Group's 50%-owned joint venture, is continuing to extend its 135,000 sq. m. office development, with construction underway on a 73,000 sq. m. fifth tower. The Group continues to look for large scale opportunities to develop premium commercial buildings in the leading cities of Greater China and Southeast Asia. An example of this is Hongkong Land's WF CENTRAL project. This development, scheduled for completion in the first half of 2017, is located at a prime Wangfujing site in Beijing and will be developed into a prestigious retail complex, including an exclusive Mandarin Oriental hotel.

The performance of the Group's commercial portfolio remains subject to market fluctuations driven by supply and demand as well as macro-economic conditions. Nevertheless, the Group is committed to uphold its reputation for quality and service in order to continue to retain current tenants and attract new premium tenants and customers.

Residential Developments

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

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

Review of Commercial Property

Hong Kong

Sentiment in the Hong Kong office leasing market remained positive in 2015. This was due to the continued scarcity in Grade A office supply coupled with incremental demand, mainly from the financial services sector. Consequently, the Group's vacancy decreased to 3.4% at the end of 2015, compared to 5.4% at the end of 2014, as it continued to focus on yield management. Vacancy for the overall Central Grade A market was 1.2% at the end of 2015, down from 3.7% in 2014. The Group's average office rent in 2015 was HK$101 per sq. ft. While this was consistent with the second half of 2014, it was marginally down from 2014's full-year average of HK$102 per sq. ft. This decrease was due to timing differences of leases becoming effective, as reversions turned marginally positive in 2015, having been slightly negative in 2014. Financial institutions, legal firms and accounting firms continue to be occupants for 78% of the Group's total leasable area.

The Group's retail portfolio remained resilient in spite of the relatively challenging conditions in the luxury retail sector in Hong Kong. Demand for the Group's premium retail space in the Central District of Hong Kong remained strong and the portfolio was fully occupied. The average rent was HK$221 per sq. ft in 2015, up from HK$214 per sq. ft in 2014, as rental reversions continued to be positive overall.

Central portfolio
at 31st December 2015

	Office	Retail
Capital value (US$m)	18,427	4,973*
Gross revenue (US$m)	682	253*
Equivalent yield (%)		
– One and Two Exchange Square	3.75	
– The Landmark Atrium		4.50
Average unexpired term of leases (years)	4.1	2.4
Area subject to renewal/review in 2016 (%)	19	44

* including hotel

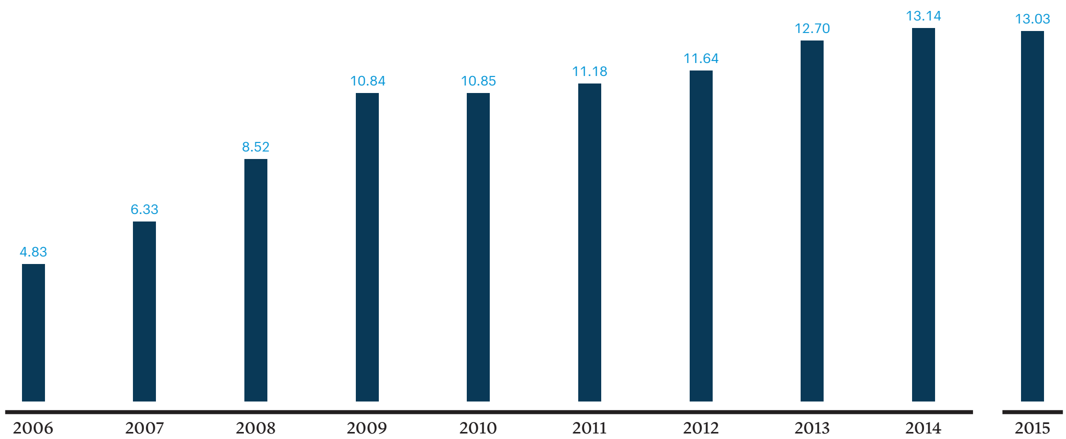
The value of the Group's portfolio in Hong Kong at 31st December 2015, based on independent valuations, increased by 6% to US$23.4 billion when compared to the prior year due to a small reduction in capitalisation rates used by the independent valuers for the office portfolio.

Singapore

The office leasing market in Singapore was relatively stable in 2015. Vacancy in the Group's office portfolio was 3.0% at the year end, an increase from 1.7% at the end of 2014 due to transitions in the portfolio. If the effect of leases already committed but commencing after 31st December 2015 had been taken into account, the adjusted year end vacancy would have been 1.0%. This compares to the overall vacancy across the entire Grade A CBD market of 5.0% as at 31st December 2015, compared to 6.1% at the end of 2014. The Group's average rent was S$9.5 per sq. ft, an increase of 3% from S$9.2 per sq. ft in the previous year as rental reversions continued to be modestly positive in 2015. Due to the financial nature of the district in which the Group's portfolio is located, financial institutions, legal firms and accounting firms occupy 83% of the total leasable area. There is, however, an increasing demand for Grade A space from other sectors.

Other Commercial Property Investments

In mainland China, the development of WF CENTRAL, the Group's prestigious retail project located on a prime site in the heart of Beijing, is making good progress. This unique development will be an iconic lifestyle destination for shopping and dining in the Capital for both local and international customers. The project is scheduled to open in the first half of 2017. The complex will also include an exclusive 74-room Mandarin Oriental hotel. In the CBD Core Area of Beijing's Chaoyang



Central portfolio average office effective rent (US$/sq. ft per month)

District, planning continues at the Group's 30%-owned proposed office development. This project will be developed as a prime Grade A office building of some 120,000 sq. m.

In Shanghai, following the signing of a framework agreement with the Lujiazui Group in September 2015, further discussions are in progress to finalise a joint venture project in the Qiantan area of Pudong. With a developable area of some 200,000 sq. m., this prime site project will comprise both office and retail components.

In One Central, Macau, occupancy remained high at 96% at the end of 2015, unchanged from the previous year. The challenging market conditions, however, resulted in a decrease in sales-based rental income and revenues fell by 8%, with the decrease partially offset by the significant increase in the Group's fixed rents over the past two years.

In Jakarta, development of the fifth tower at the Group's 50%-owned joint venture, Jakarta Land, is progressing well. The project is scheduled for completion in 2018. Occupancy across the portfolio was 93% at the year end, a modest decline from 95% at the end of 2014. Nonetheless, the average rent in 2015 was US$25.3 per sq. m., an increase of 5% from US$24.0 per sq. m. in the prior year.

In Cambodia, the Group's 30,000 sq. m. prime mixed-use complex comprising retail and office components in the heart of the Phnom Penh is scheduled for completion in late 2016.

Performance at the Group's other commercial investment properties in Hanoi and Bermuda remained within expectation, while Gaysorn in Bangkok continued to be adversely affected by local market conditions.

Review of Residential Property

The contribution from the Group's residential property business fell as anticipated. Despite the Group benefiting from an increase in profits from mainland China, a solid performance from Singapore, and a gain which arose from the redevelopment of a property in Hong Kong, the uplift in results was more than offset by the absence of residential sales in Hong Kong and reduced reversal of writedowns at MCL Land in Singapore.

Hong Kong and Macau

In Hong Kong, the contribution was lower than the previous year as sales at the Group's 97-unit Serenade project were concluded in 2014. This decrease was, however, partially offset by the US$63 million gain recognised from the redevelopment of a residential property. This property, which was previously classified as a trading property, will now be maintained by the Group as a long-term investment.

Similar to Hong Kong, the contribution from Macau also fell in 2015 as a result of the completion of sales in the prior year at the Group's One Central joint venture development.

Mainland China

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

While sentiment in the residential market continued to be cautious, the contribution from the Group's China residential projects increased over the prior year. This was in part due to the 2014 results being adversely affected by provisions of US$38 million made against the value of the Group's joint ventures in Shenyang. The Group's attributable interest in revenue recognised, including its subsidiaries and its share of joint ventures, however, was 19% lower at US$505 million due to the timing of completion of projects and general market sentiment.

In 2015, the Group's attributable interest in contracted sales was US$802 million compared with US$635 million in the previous year. This amount, however, includes sales from a new project in Shanghai's Pudong District. On a like-for-like basis, the Group's share of contracted sales was 2% higher than the prior year.

At 31st December 2015, the value of sold but unrecognised contracted sales (inclusive of the new Shanghai project) at the Group's wholly-owned and joint venture residential projects amounted to US$821 million compared with US$533 million at the end of 2014. Excluding the new project, the Group's share in sold but unrecognised sales was US$663 million at the year end.

Chongqing, the largest city in western China, remains the Group's most important residential market in the country. It accounts for approximately 80% of the Group's total residential investments in mainland China. These consist of two 100%-owned projects, Yorkville South and the adjacent Yorkville North, and four 50%-owned joint ventures, Bamboo Grove, Landmark Riverside, Central Avenue and the Group's latest project adjacent to Bamboo Grove. This new project was jointly acquired with the existing partner, Longfor Properties, for some US$400 million in the second half of the year. It occupies a site area of approximately 348,000 sq. m. and will further consolidate the Group's market position in the city.

Both of the Group's wholly-owned projects in Chongqing, Yorkville South and Yorkville North, are in relatively early stages of development. Revenue recognised during the period totalled US$236 million, and compares with US$318 million in 2014 due to timing of completions. Yorkville South is a 39 hectare development at Zhaomushan near the core of the Two-River New Area of Chongqing. Construction of approximately 32% of the some 880,000 sq. m. developable area has been completed. At the adjacent Yorkville North, 19% of the developable area of 1.1 million sq. m. has been built.

Of the Group's other joint venture projects in Chongqing, Bamboo Grove is scheduled to be fully completed in 2018, while Landmark Riverside and Central Avenue are both at earlier stages of development. Hongkong Land's attributable interest in sales recognised from Bamboo Grove and Landmark Riverside in 2015 totalled US$125 million compared to US$185 million in 2014, while Central Avenue will see its first completions in 2016.

Bamboo Grove, the Group's initial joint venture with Longfor Properties, occupies a 78 hectare site at Dazhulin in Chongqing. The primarily residential site will be fully developed into some 1.5 million sq. m. of developable area upon full completion. Currently, 87% has already been developed.

Landmark Riverside, the Group's joint venture with China Merchants Property Development, is a 34 hectare site consisting of 1 million sq. m. of developable space at Dan Zishi in Chongqing. Development on approximately 26% of the developable area has been completed so far.

At Central Avenue, the Group's second joint venture with China Merchants in Chongqing, development is underway on this 40 hectare site next to the city's Central Park in the Yubei District. When completed, the project will consist of approximately 1.1 million sq. m. of developable area, of which only 12% is under construction.

In Chengdu, construction continues at WE City, the Group's 50% joint venture with KWG Property Holding Group. The 19 hectare site provides developable area of approximately 900,000 sq. m., of which around 26% has been completed. The Group's share of the first full year of sales from WE City in 2015 was US$108 million, compared to US$66 million in the prior year.

In Beijing, at the Group's 90%-owned Maple Place project, 22 units were sold and handed over during the year, compared with 16 units in the prior year. A further 39 units consisting of villas, townhouses and apartments remain available for future sale and are currently mostly leased. Meanwhile, at Central Park, Hongkong Land's 40%-owned joint venture with Vantone Group, the Group continues to hold an interest in 72 apartments which are being operated as serviced apartments.

In Shanghai, the Group entered into a 50% joint venture with the CIFI Group to develop a prime site in Pudong in the second half of the year. The project, which is located within Shanghai's inner-ring road, will consist of residential and commercial space with developable area totalling 227,000 sq. m.

In Shenyang, the Group disposed of its Park Life joint venture in April.

Singapore

Results from operations in 2015 increased marginally over the previous year. MCL Land, the Group's wholly-owned subsidiary, completed three projects during the year. These were the 32-unit Palms @ Sixth Avenue and the 679-unit Ripple Bay, both of which were fully sold; and the 75-unit Hallmark Residences, which was 97% sold. Provisions previously made on two of these developments in 2008 have largely been written back in 2014 and 2015, in line with sales of these projects. At the 221-unit Marina Bay Suites development, which was 33%-owned by Hongkong Land, all of the remaining 18 units were sold during the year. In 2014, three units were handed over to buyers.

Beyond 2015, MCL Land has three 100%-owned projects scheduled for completion from 2016 to 2018, with one scheduled in each year. The 738-unit J Gateway project, which is expected to complete in 2016, is 100% pre-sold. LakeVille, consisting of 699 units and expecting to complete in 2017, was 79% pre-sold. The 1,327-unit Sol Acres executive condominium development (previously known as Choa Chu Kang Grove), which is scheduled for completion in 2018, was 22% pre-sold.

In the first half of 2015, MCL Land acquired a residential site located adjacent to its LakeVille project for US$250 million. Planning has begun for the project and some 700 units are planned for sale. The project, which comprises developable area of approximately 537,000 sq. ft, is expected to complete in 2019.

Other Residential Developments

In Indonesia, development continues at the Group's two residential projects. At Nava Park, the Group's 49%-owned joint venture with PT Bumi Serpong Damai in southwest of central Jakarta, 70% of the 377 units which have been launched for sale were pre-sold at the year end. This project comprises a mix of residential towers, semi-detached houses and villas on a 67 hectare site. The first and second phases are scheduled for completion in 2016 and in 2018, respectively. At Anandamaya Residences, 90% of the 509 units had been pre-sold at the year end. This luxury apartment project, which is a 40%-owned joint venture development with affiliate Astra International, is expected to complete in 2018.

In the Philippines, construction continues at Two Roxas Triangle, the Group's 40%-owned luxury condominium tower in Manila's central Makati area. The 182-unit development, which is expected to complete in 2019, was 91% pre-sold at the year end. At Mandani Bay, the Group's 40%-owned joint venture in Cebu, construction is due to start in the first half of 2016. This 20 hectare site will consist principally of residential units, with some office and retail components, and will be developed in phases over ten years.

Outlook

The Group's solid performance from both its commercial and residential businesses is expected to continue in 2016. In the residential sector, a significant portion of profits will continue to be derived from mainland China. Contributions from these projects, notably the Group's wholly-owned projects in Chongqing, are anticipated to be higher than in 2015 as larger phases are due to complete during the year. However, the gain from the newly redeveloped property in Hong Kong will not be repeated in 2016. In addition, the provisions at MCL Land's projects have now been largely written back as sales are almost complete. As a result, overall earnings in 2016 are anticipated to be lower.

We continue to maintain our well-established, strong market positions in Greater China and Southeast Asia, which enable us to seize future opportunities when they arise.

We pride ourselves on delivering outstanding service to our tenants and customers, and on upholding the highest standards of quality. These are our core values to which we will continue to adhere. These values are fundamental to our long-term success as they enable us to withstand the test of challenging market conditions and competition, thus maintaining and strengthening our market positions.

Y.K. Pang
Chief Executive
3rd March 2016

Financial Review

Accounting Policies

The accounting policies are consistent with those of the previous year. The Directors continue to review the appropriateness of the accounting policies adopted by the Group with regard to developments in International Financial Reporting Standards.

Results

Underlying Profit

The Group's underlying profit attributable to shareholders in 2015 was US$905 million (or US¢38.44 on an earnings per share basis). This result can be analysed between the contribution from Commercial Property, the contribution from Residential Property and unallocated expenses, which include corporate costs, net financing charges and tax. Each of these items includes the Group's share of results from its joint ventures.

	2015 US$m	2014 US$m
Commercial Property, pre-tax	**942**	953
Residential Property, pre-tax	**354**	398
Corporate costs, net financing charges and tax	**(378)**	(412)
Non-controlling interests	**(13)**	(9)
Underlying profit attributable to shareholders	**905**	930
	US¢	US¢
Underlying earnings per share	**38.44**	39.52

In 2015, the contribution from Commercial Property was US$942 million, compared to US$953 million in 2014. While results from the Group's Hong Kong portfolio modestly increased, the overall decrease was mainly due to a lower contribution from the Group's Singapore commercial property investments in US dollar terms due to the weakening of the Singapore dollar together with a weaker performance from Macau.

The contribution from Residential Property was US$354 million when compared to US$398 million in 2014. The decline was largely due to lower results in Hong Kong and at MCL Land in Singapore.

In Hong Kong, there was a gain of US$63 million arising from the redevelopment of a residential property which will now be held for investment. Previously, this property was classified as a trading property and under accounting standards, a gain has been recognised based on the difference between its fair value and its carrying value. However, there were no further sales at Serenade as the project was fully sold in 2014 and the Group has no other active projects in Hong Kong currently.

At MCL Land in Singapore, 2015 results were adversely affected by a decrease in the reversal of writedowns, from US$56 million in 2014 to US$21 million in 2015. These provisions were originally established in 2008 in respect of land for projects which are now complete and largely sold. During the year, three projects were completed during the year. These were Palms @ Sixth Avenue (32 units), Ripple Bay (679 units), both of which were fully sold prior to completion, and Hallmark Residences (75 units) which was 97% sold. The Group continues to carry US$3 million of writedowns which were originally made in 2008 in respect of the Hallmark Residences project.

In mainland China, profits were generated from sales at 90%-owned Maple Place (22 units) in Beijing; and at 100%-owned Yorkville South (1,019 units), at 100%-owned Yorkville North (724 units), at 50%-owned Bamboo Grove (2,104 units) and at 50%-owned Landmark Riverside (161 units) in Chongqing; and at 50%-owned WE City (858 units) in Chengdu. While the contribution from these projects rose in 2015 compared with the prior year, the prior year included a US$38 million provision in respect of the Group's interest in the Shenyang joint ventures.

In Macau, the contribution decreased as all of the remaining units at One Central were sold in 2014.

In 2014, the contribution from Residential Property of US$398 million arose from the sale of the last 14 apartments at Serenade in Hong Kong and the five remaining residential units at the 47%-owned One Central, Macau; the completion of MCL Land's fully pre-sold Terrasse (414 units) and Uber 388 (95 units) developments in Singapore; and sales at Maple Place (16 units) in Beijing; and at Yorkville South (780 units), Yorkville North (872 units), Bamboo Grove (1,032 units) and Landmark Riverside (907 units) in Chongqing; and at WE City (373 units) in Chengdu.

Net financing charges in 2015, including the Group's share of net financing charges within joint ventures were US$107 million, compared with US$103 million in the previous year. The slight increase was due to the higher average interest rate on Group borrowings of 3.3%, compared to 2.9% in 2014. This offset the impact of lower average net borrowings in 2015. The average interest rate on Group deposits in 2015 was 1.0%, in line with last year.

The Group's underlying tax charge, including the Group's share of joint ventures, decreased to US$209 million from US$247 million in 2014 giving an effective tax rate of 19.7%, which includes the impact of Land Appreciation Tax at the Group's residential projects in mainland China. The effective tax rate in 2014 was 19.2%.

Non-Trading Gains

In 2015, the Group had net non-trading gains of US$1,107 million compared with US$397 million in 2014. These arose principally on revaluations of the Group's investment properties, including its share of joint ventures, which were performed at 31st December 2015 by independent valuers.

The gains on valuation came predominately from the Group's Central portfolio in Hong Kong. This increased in value by 6% to US$23.4 billion from US$22.2 billion in 2014 due to a small compression in capitalisation rates used by the valuers in the Group's office portfolio.

Cash Flows

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

	2015 US$m	2014 US$m
Operating activities		
Operating profit, excluding non-trading items	**994**	1,067
Net interest and tax paid	**(253)**	(215)
Payments for residential sites	**(281)**	(429)
Development expenditure on residential projects	**(407)**	(454)
Proceeds from residential sales	**1,079**	962
Dividends received from joint ventures	**117**	153
Other	**(353)**	(385)
	896	699
Investing activities		
Major renovations capex	**(58)**	(38)
Funding of joint ventures	**(256)**	(216)
Advances and loan repayments from joint ventures	**391**	479
Development expenditure	**(152)**	(137)
Payment of deposit for a joint venture	**(71)**	–
	(146)	88
Financing activities		
Dividends paid by the Company	**(445)**	(421)
Net repayment of borrowings	**(347)**	(91)
Other	**(51)**	(18)
	(843)	(530)
Net (decrease)/increase in cash and cash equivalents	**(93)**	257
Cash and cash equivalents at 1st January	**1,659**	1,402
Cash and cash equivalents at 31st December	**1,566**	1,659

Cash flows from operating activities in 2015 were US$896 million, compared with US$699 million in 2014. The Group's operating profit from its subsidiaries (excluding non-trading items) was US$994 million, 7% lower than in 2014. This was largely due to lower underlying profits, reflecting the absence of residential sales in Hong Kong in 2015. Net interest paid of US$78 million was US$3 million lower than in 2014 due to timing differences. Tax paid of US$175 million was US$41 million higher than the prior year principally also as a result of timing differences. In 2015, US$281 million was paid for residential development sites, including US$259 million for the Jurong West residential site in Singapore. This compared to the US$429 million paid for residential development sites in 2014, of which US$364 million related to the Choa Chu Kang residential sites in Singapore. In 2015, development expenditure on residential projects decreased to US$407 million from US$454 million in 2014. Proceeds from residential sales were higher at US$1,079 million in 2015 compared to US$962 million in 2014. Dividends received from joint ventures in 2015 totalled US$117 million compared with US$153 million in the previous year.

Under investing activities in 2015, the Group had outflows of US$146 million, compared to inflows of US$88 million in 2014. Capital expenditure of US$58 million related to major renovations, principally in respect of the Hong Kong Central portfolio. Funding of the Group's joint venture projects totalled US$256 million. This included investments of US$104 million in the 50%-owned New Bamboo Grove residential project in Chongqing and US$132 million in the 50%-owned residential project in the Pudong district of Shanghai which the Group formed in September 2015. Also, under investing activities in 2015, the Group received US$391 million of advances and loan repayments from joint ventures mainly contributed from the Group's residential projects in mainland China. This compared to total loan repayments of US$479 million in 2014, which had included the repayment of a shareholder's loan following a refinancing at one of the Group's Singapore joint ventures. Development expenditure of US$152 million was principally for the WF CENTRAL project in Beijing. The Group also made a US$71 million deposit in respect of the proposed joint venture project in the Qiantan area of Pudong, Shanghai.

Under financing activities, the Company paid dividends of US$445 million, being the 2014 final dividend of US¢13.00 per share and the 2015 interim dividend of US¢6.00 per share. Also, the Group had a net repayment of borrowings of US$347 million.

The Group's year end cash and cash equivalents totalled US$1.6 billion, in line with the end of 2014. Of the US$1.6 billion, US$0.5 billion related to pre-sales proceed balances which are held within various residential projects of the Group (2014: US$0.5 billion). At 31st December 2015, the Group's net debt was US$2.3 billion, down from US$2.7 billion at the beginning of the year.

Year-end debt summary*

	2015 US$m	2014 US$m
US$ bonds/notes	**1,510**	1,509
HK$ bonds/notes	**1,253**	1,250
HK$ bank loans	**575**	530
S$ bonds/notes	**141**	437
S$ bank loans	**257**	594
RMB bank loans	**174**	–
Gross debt	**3,910**	4,320
Cash	**1,569**	1,663
Net debt	**2,341**	2,657

* Before currency swaps

Dividends

The Board is recommending a final dividend of US¢13.00 per share for 2015, providing a total annual dividend of US¢19.00 per share, unchanged from 2014. The final dividend will be payable on 11th May 2016, subject to approval at the Annual General Meeting to be held on 4th May 2016, to shareholders on the register of members at the close of business on 18th March 2016. No scrip alternative is being offered in respect of the dividend.

Treasury Policy

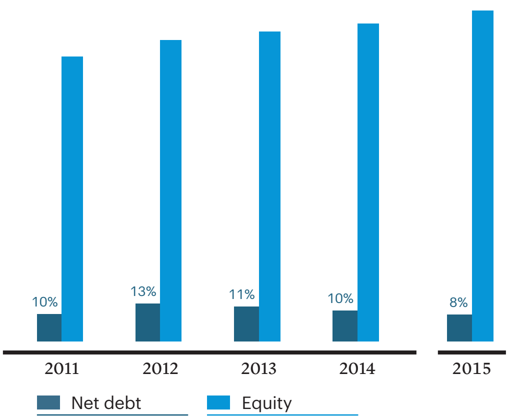
The Group manages its treasury activities within established risk management objectives and policies using a variety of techniques and instruments. The main objectives are to manage exchange, interest rate and liquidity risks and to provide a degree of certainty in respect of costs. The investment of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

The Group's Treasury operations are managed as cost centres and are not permitted to undertake speculative transactions unrelated to underlying financial exposures. 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 headroom in committed facilities is maintained to facilitate the Group's capacity to pursue new investment opportunities and to provide some protection against market uncertainties.

Funding

The Group is well financed with strong liquidity. Net gearing was 8% at 31st December 2015, down from 10% at the end of 2014. Interest cover, calculated as the underlying operating profits, including the Group's share of joint ventures' operating profits, divided by net financing charges including the Group's share of joint ventures' net financing charges, was 11.5 times, compared with 12.5 times in 2014. The decrease was mainly due to the increase in the average interest rate on Group borrowings.

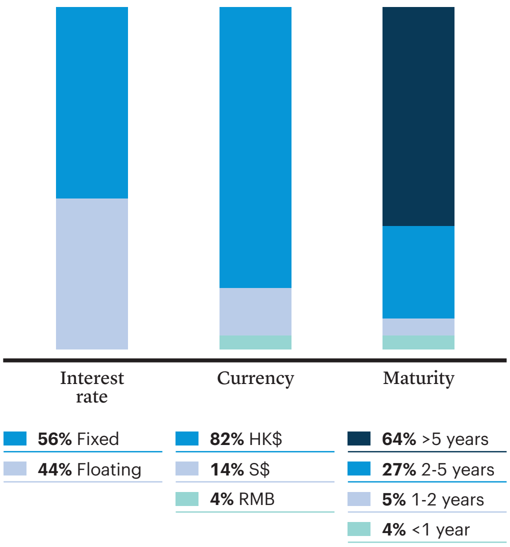


Net debt as a percentage of equity

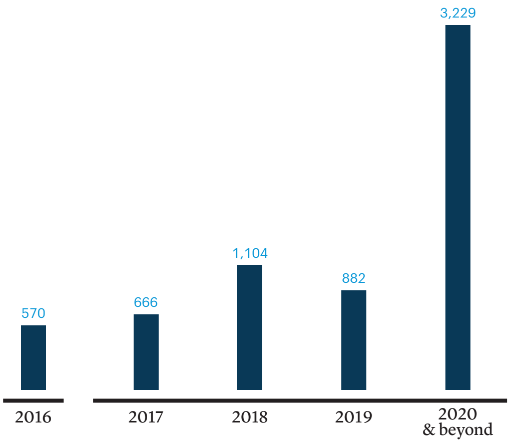
Both Moody's and Standard & Poor's have maintained their credit ratings of Hongkong Land Holdings Limited at A3 and A respectively.

The average tenor of the Group's debt was 7.2 years at 31st December 2015, in line with the end of 2014. Approximately 44% of the Group's borrowings were at floating rates and the remaining 56% were either fixed rate borrowings or covered by interest rate hedges with major credit worthy financial institutions.

At 31st December 2015, the Group had total committed lines of approximately US$6.4 billion. Of these lines, 55% were sourced from banks with the remaining 45% from the capital markets. At the end of 2015, the Group had drawn US$3.9 billion of these lines leaving US$2.5 billion of committed, but unused, facilities. Adding the Group's year end cash balances, the Group had overall liquidity at 31st December 2015 of US$4.1 billion, down from US$4.5 billion at the end of 2014 mainly due to the US$0.3 billion redemption of Singapore dollar denominated bonds during the year.



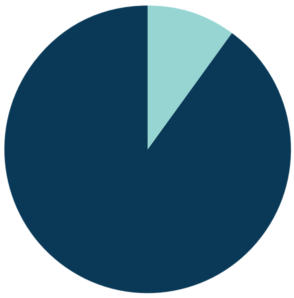
Debt profile at 31st December 2015



Committed facility maturity at 31st December 2015 (US$m)

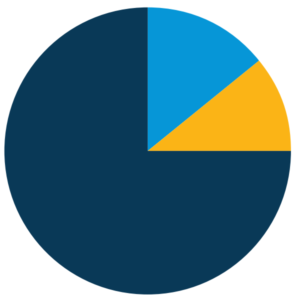
Gross Assets

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



90% Commercial
10% Residential

Gross assets by activity



75% Hong Kong
14% Southeast Asia
11% Mainland China and Macau

Gross assets by location

Principal Risks and Uncertainties

A review of the principal risks and uncertainties facing the Group is set out on page 74.

John R. Witt
Chief Financial Officer
3rd March 2016

Directors' Profiles

Ben Keswick* Chairman and Managing Director

Mr Ben Keswick joined the Board as Managing Director in 2012 and became Chairman in 2013. He has held a number of executive positions since joining the Jardine Matheson group in 1998, including finance director and then chief executive officer of Jardine Pacific between 2003 and 2007 and, thereafter, group managing director of Jardine Cycle & Carriage until 2012. He has an MBA from INSEAD. Mr Keswick is chairman of Jardine Matheson Limited and Jardine Cycle & Carriage and a commissioner of Astra. He is also chairman and managing director of Dairy Farm and Mandarin Oriental, managing director of Jardine Matheson and Jardine Strategic, and a director of Jardine Pacific and Jardine Motors.

Y.K. Pang* Chief Executive

Mr Pang joined the Board and was appointed Chief Executive of the Group in 2007. He previously held a number of senior executive positions in the Jardine Matheson group, which he joined in 1984. He is a director of Jardine Matheson Limited, Jardine Matheson and Jardine Matheson (China) Limited. He is also chairman of both the Employers' Federation of Hong Kong and the Hong Kong General Chamber of Commerce.

John R. Witt* Chief Financial Officer

Mr Witt joined the Board as Chief Financial Officer in 2010. He is a Chartered Accountant and has an MBA from INSEAD. He has been with the Jardine Matheson group since 1993 during which time he has held a number of senior finance positions. Most recently, he was the chief financial officer of Mandarin Oriental.

Charles Allen-Jones

Mr Allen-Jones joined the Board in 2001. He was formerly senior partner of Linklaters, where he had been a partner for 33 years until 2001. Mr Allen-Jones is a non-executive director of Jardine Strategic and vice chairman of the Council of the Royal College of Art.

Mark Greenberg

Mr Greenberg joined the Board in 2006. He is group strategy director of Jardine Matheson. He had previously spent 16 years in investment banking with Dresdner Kleinwort Wasserstein in London. He is also a director of Jardine Matheson Limited, Dairy Farm, Jardine Cycle & Carriage and Mandarin Oriental, and a commissioner of Astra and Bank Permata.

Adam Keswick

Mr Adam Keswick joined the Board in 2012. He is deputy managing director of Jardine Matheson, chairman of Jardine Pacific, and chairman and chief executive of Jardine Motors. He has held a number of executive positions since joining the Jardine Matheson group from N M Rothschild & Sons in 2001, including group strategy director and, thereafter, group managing director of Jardine Cycle & Carriage between 2003 and 2007. Mr Keswick is also deputy chairman of Jardine Matheson Limited, and a director of Dairy Farm, Jardine Strategic, Mandarin Oriental, Yonghui Superstores and Zhongsheng Group Holdings.

Sir Henry Keswick

Sir Henry first served on the Board of the Group's holding company between 1970 and 1975 and was re-appointed a Director in 1988. He is chairman of Jardine Matheson, having first joined the group in 1961, and is also chairman of Jardine Strategic. He is a director of Dairy Farm and Mandarin Oriental. He is also vice chairman of the Hong Kong Association.

Simon Keswick

Mr Simon Keswick has been a Director of the Group's holding company since 1983. He was Chairman of the Company from 1983 to 1988 and from 1989 to 2013. He joined the Jardine Matheson group in 1962 and is a director of Dairy Farm, Jardine Matheson, Jardine Strategic and Mandarin Oriental.

* Executive Director

Lord Leach of Fairford

Lord Leach has been a Director of the Group's holding company since 1985. He is deputy chairman of Jardine Lloyd Thompson, and a director of Dairy Farm, Jardine Matheson, Jardine Strategic and Mandarin Oriental. He is also a member of the supervisory board of Rothschild & Co. He joined the Jardine Matheson group in 1983 after a career in banking.

Dr Richard Lee

Dr Lee joined the Board in 2003. Dr Lee's principal business interests are in the manufacturing of textiles and apparel in Southeast Asia, and he is the honorary chairman of TAL Apparel. He is also a director of Jardine Matheson and Mandarin Oriental.

Anthony Nightingale

Mr Nightingale joined the Board in 2006 and was Managing Director of the Company from 2006 to 2012. He is also a director of Dairy Farm, Jardine Cycle & Carriage, Jardine Matheson, Jardine Strategic, Mandarin Oriental, Prudential, Schindler, Shui On Land and Vitasoy, and a commissioner of Astra. Mr Nightingale also holds a number of senior public appointments, including acting as a non-official member of the Commission on Strategic Development, a Hong Kong representative to the Asia Pacific Economic Cooperation (APEC) Business Advisory Council and a director of the UK ASEAN Business Council. He is chairman of The Sailors Home and Missions to Seamen in Hong Kong.

Lord Powell of Bayswater, KCMG

Lord Powell rejoined the Board in 2008, having first served as a Director between 1992 and 2000. He was previously Private Secretary and adviser on foreign affairs and defence to British Prime Ministers, Baroness Thatcher and Rt Hon John Major. He is a director of LVMH Moët Hennessy Louis Vuitton, Matheson & Co, Mandarin Oriental, Northern Trust Corporation and Textron Corporation. Previously president of the China-Britain Business Council and chairman of the Singapore-British Business Council, he is currently a British Business Ambassador. He is an independent member of the House of Lords.

Lord Sassoon, Kt

Lord Sassoon joined the Board in 2013. He began his career at KPMG, before joining SG Warburg (later UBS Warburg) in 1985. From 2002 to 2006 he was in the United Kingdom Treasury as a civil servant, where he had responsibility for financial services and enterprise policy. Following this, he chaired the Financial Action Task Force; and conducted a review of the UK's system of financial regulation. From 2010 to 2013 Lord Sassoon was the first Commercial Secretary to the Treasury and acted as the Government's Front Bench Treasury spokesman in the House of Lords. He is a director of Dairy Farm, Jardine Lloyd Thompson, Jardine Matheson and Mandarin Oriental. He is also chairman of the China-Britain Business Council.

James Watkins

Mr Watkins joined the Board in 2009. He was a director and group general counsel of Jardine Matheson from 1997 to 2003. Mr Watkins qualified as a solicitor in 1969 and was formerly a partner of Linklaters. He is also a director of Asia Satellite Telecommunications Holdings, Global Sources, IL&FS India Realty Fund II, Jardine Cycle & Carriage and Mandarin Oriental.

Percy Weatherall

Mr Weatherall joined the Board in 1994 and was Managing Director from 2000 to 2006. He first joined the Jardine Matheson group in 1976 and retired from executive office in 2006. He is also a director of Dairy Farm, Jardine Matheson, Jardine Strategic and Mandarin Oriental. He is chairman of Corney & Barrow and the Nith District Salmon Fishery Board.

Michael Wei Kuo Wu

Mr Wu joined the Board in 2012. He is chairman and managing director of Maxim's Caterers in Hong Kong. He is also a non-executive director of Hang Seng Bank and Jardine Matheson, a council member of the Hong Kong University of Science and Technology and a member of the court of the University of Hong Kong.

Consolidated Profit and Loss Account

for the year ended 31st December 2015

	Note	2015 Underlying business performance US$m	2015 Non-trading items US$m	2015 Total US$m	2014 Underlying business performance US$m	2014 Non-trading items US$m	2014 Total US$m
Revenue	5	**1,932.1**	**–**	**1,932.1**	1,876.3	–	1,876.3
Net operating costs	6	**(938.3)**	**–**	**(938.3)**	(809.0)	(1.1)	(810.1)
		993.8	**–**	**993.8**	1,067.3	(1.1)	1,066.2
Change in fair value of investment properties	11	**–**	**999.9**	**999.9**	–	15.9	15.9
Asset impairment reversals	11	**–**	**13.9**	**13.9**	–	9.2	9.2
Operating profit		**993.8**	**1,013.8**	**2,007.6**	1,067.3	24.0	1,091.3
Net financing charges	7						
– financing charges		**(114.8)**	**–**	**(114.8)**	(113.5)	–	(113.5)
– financing income		**40.4**	**–**	**40.4**	44.5	–	44.5
		(74.4)	**–**	**(74.4)**	(69.0)	–	(69.0)
Share of results of associates and joint ventures	8						
– before change in fair value of investment properties		**140.5**	**0.2**	**140.7**	122.8	0.1	122.9
– change in fair value of investment properties	11	**–**	**69.0**	**69.0**	–	392.2	392.2
		140.5	**69.2**	**209.7**	122.8	392.3	515.1
Profit before tax		**1,059.9**	**1,083.0**	**2,142.9**	1,121.1	416.3	1,537.4
Tax	9	**(150.8)**	**13.6**	**(137.2)**	(187.9)	(7.8)	(195.7)
Profit after tax		**909.1**	**1,096.6**	**2,005.7**	933.2	408.5	1,341.7
Attributable to:							
Shareholders of the Company		**904.5**	**1,107.2**	**2,011.7**	929.9	397.5	1,327.4
Non-controlling interests		**4.6**	**(10.6)**	**(6.0)**	3.3	11.0	14.3
		909.1	**1,096.6**	**2,005.7**	933.2	408.5	1,341.7

	Note	2015 Underlying business performance US¢	2015 Total US¢	2014 Underlying business performance US¢	2014 Total US¢
Earnings per share	10	**38.44**	**85.50**	39.52	56.42

Consolidated Statement of Comprehensive Income

for the year ended 31st December 2015

	Note	2015 US$m	2014 US$m
Profit for the year		**2,005.7**	1,341.7
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans		**(3.4)**	(2.5)
Tax on items that will not be reclassified	9	**0.5**	0.4
		(2.9)	(2.1)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences		**(193.4)**	(119.2)
Revaluation of other investments		**8.3**	(4.5)
Cash flow hedges			
– net (loss)/gain arising during the year		**(32.2)**	21.1
– transfer to profit and loss		**(2.5)**	(0.8)
		(34.7)	20.3
Tax relating to items that may be reclassified	9	**5.8**	(3.5)
Share of other comprehensive expense of associates and joint ventures		**(214.4)**	(106.5)
		(428.4)	(213.4)
Other comprehensive expense for the year, net of tax		**(431.3)**	(215.5)
Total comprehensive income for the year		**1,574.4**	1,126.2
Attributable to:			
Shareholders of the Company		**1,583.2**	1,113.3
Non-controlling interests		**(8.8)**	12.9
		1,574.4	1,126.2

Consolidated Balance Sheet

at 31st December 2015

	Note	2015 US$m	2014 US$m
Net operating assets			
Tangible fixed assets		**34.0**	24.2
Investment properties	12	**24,957.3**	23,697.3
Associates and joint ventures	13	**4,617.6**	4,904.1
Other investments	14	**61.3**	53.0
Non-current debtors	15	**41.2**	54.9
Deferred tax assets	16	**13.1**	3.7
Pension assets		**0.5**	4.7
Non-current assets		**29,725.0**	28,741.9
Properties for sale	17	**2,713.9**	2,923.1
Current debtors	15	**355.7**	292.2
Current tax assets		**8.3**	12.7
Bank balances	18	**1,569.2**	1,662.6
Current assets		**4,647.1**	4,890.6
Current creditors	19	**(1,483.8)**	(1,441.7)
Current borrowings	20	**(168.9)**	(288.6)
Current tax liabilities		**(69.0)**	(101.9)
Current liabilities		**(1,721.7)**	(1,832.2)
Net current assets		**2,925.4**	3,058.4
Long-term borrowings	20	**(3,740.8)**	(4,031.0)
Deferred tax liabilities	16	**(102.0)**	(110.8)
Pension liabilities		**(0.2)**	–
Non-current creditors	19	**(87.0)**	(60.1)
		28,720.4	27,598.4
Total equity			
Share capital	21	**235.3**	235.3
Share premium		**370.0**	370.0
Revenue and other reserves		**28,079.7**	26,942.8
Shareholders' funds		**28,685.0**	27,548.1
Non-controlling interests		**35.4**	50.3
		28,720.4	27,598.4

Approved by the Board of Directors on 3rd March 2016

Ben Keswick
Y.K. Pang
Directors

Consolidated Statement of Changes in Equity

for the year ended 31st December 2015

	Note	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
2015									
At 1st January		**235.3**	**370.0**	**26,651.9**	**17.5**	**273.4**	**27,548.1**	**50.3**	**27,598.4**
Total comprehensive income		**–**	**–**	**2,017.1**	**(26.6)**	**(407.3)**	**1,583.2**	**(8.8)**	**1,574.4**
Dividends paid by the Company	22	**–**	**–**	**(447.0)**	**–**	**–**	**(447.0)**	**–**	**(447.0)**
Dividends paid to non-controlling shareholders		**–**	**–**	**–**	**–**	**–**	**–**	**(6.1)**	**(6.1)**
Unclaimed dividends forfeited		**–**	**–**	**0.7**	**–**	**–**	**0.7**	**–**	**0.7**
At 31st December		**235.3**	**370.0**	**28,222.7**	**(9.1)**	**(133.9)**	**28,685.0**	**35.4**	**28,720.4**
2014									
At 1st January		235.3	370.0	25,753.3	(0.4)	498.8	26,857.0	42.1	26,899.1
Total comprehensive income		–	–	1,320.8	17.9	(225.4)	1,113.3	12.9	1,126.2
Dividends paid by the Company	22	–	–	(423.5)	–	–	(423.5)	–	(423.5)
Dividends paid to non-controlling shareholders		–	–	–	–	–	–	(4.7)	(4.7)
Unclaimed dividends forfeited		–	–	1.3	–	–	1.3	–	1.3
At 31st December		235.3	370.0	26,651.9	17.5	273.4	27,548.1	50.3	27,598.4

Total comprehensive income included in revenue reserves mainly comprises profit attributable to shareholders of the Company of US$2,011.7 million (2014: US$1,327.4 million) and a fair value gain on other investments of US$8.3 million (2014: loss of US$4.5 million). The cumulative fair value gain on other investments amounted to US$23.5 million (2014: US$15.2 million).

Consolidated Cash Flow Statement

for the year ended 31st December 2015

	Note	2015 US$m	2014 US$m
Operating activities			
Operating profit		**2,007.6**	1,091.3
Depreciation	6	**2.9**	2.4
Reversal of writedowns on properties for sale	6	**(21.4)**	(55.6)
Gain on reclassification of a trading property to investment property		**(63.2)**	–
Change in fair value of investment properties	12	**(999.9)**	(15.9)
Asset impairment reversals		**(13.9)**	(9.2)
Decrease/(increase) in properties for sale	23a	**45.2**	(310.5)
Increase in debtors		**(13.3)**	(28.6)
Increase in creditors		**88.0**	88.2
Interest received		**41.2**	50.7
Interest and other financing charges paid		**(118.9)**	(132.0)
Tax paid		**(174.8)**	(134.3)
Dividends from associates and joint ventures		**116.7**	152.5
Cash flows from operating activities		**896.2**	699.0
Investing activities			
Major renovations expenditure		**(57.8)**	(37.8)
Developments capital expenditure	23b	**(152.3)**	(136.6)
Investments in and loans to associates and joint ventures		**(255.8)**	(215.6)
Advances and repayments from associates and joint ventures		**390.9**	478.2
Payment of deposit for a joint venture		**(70.9)**	–
Cash flows from investing activities		**(145.9)**	88.2
Financing activities			
Drawdown of borrowings		**229.1**	1,216.9
Repayment of borrowings		**(575.7)**	(1,307.5)
Dividends paid by the Company		**(444.9)**	(421.1)
Dividends paid to non-controlling shareholders		**(4.4)**	(4.7)
Cash flows from financing activities		**(795.9)**	(516.4)
Effect of exchange rate changes		**(47.1)**	(14.5)
Net (decrease)/increase in cash and cash equivalents		**(92.7)**	256.3
Cash and cash equivalents at 1st January		**1,658.6**	1,402.3
Cash and cash equivalents at 31st December	23c	**1,565.9**	1,658.6

Notes to the Financial Statements

1 Principal Accounting Policies

Basis of preparation

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

Amendments effective in 2015 which are relevant to the Group's operations

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Annual Improvements to IFRSs	2010 – 2012 Cycle
	2011 – 2013 Cycle

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

Amendments to IAS 19 'Employee Benefits' clarify the accounting for defined benefit plans that require employees or third parties to contribute towards the cost of the benefits. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Annual Improvements to IFRSs 2010 – 2012 Cycle and 2011 – 2013 Cycle comprise a number of amendments to IFRSs. The amendments which are relevant to the Group's operations include the followings:

Amendment to IFRS 2 'Share-based Payment' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

Amendment to IFRS 3 'Business Combinations' clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 'Financial Instruments: Presentation'. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. It also clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11.

Amendment to IFRS 8 'Operating Segments' requires disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

Amendment to IAS 24 'Related Party Disclosures' requires the reporting entity to disclose the fees paid for key management personnel services from another entity ('the management entity'). The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors.

Amendment to IFRS 13 'Fair Value Measurement' clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts within the scope of IAS 39 or IFRS 9.

Amendment to IAS 40 'Investment Property' clarifies that IAS 40 and IFRS 3 are not mutually exclusive when distinguishing between investment property and owner-occupied property and determining whether the acquisition of an investment property is a business combination.

The following standards and amendments which are effective after 2015, are relevant to the Group's operations and yet to be adopted

		Effective for accounting periods beginning on or after
IFRS 9	Financial Instruments	1st January 2018
IFRS 15	Revenue from Contracts with Customers	1st January 2018
IFRS 16	Leases	1st January 2019
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1st January 2016
Amendments to IAS 1	Disclosure Initiative: Presentation of Financial Statements	1st January 2016
Amendments to IAS 7	Disclosure Initiative: Statement of Cash Flows	1st January 2017
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1st January 2017
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1st January 2016
Annual Improvements to IFRSs	2012 – 2014 Cycle	1st January 2016

1 Principal Accounting Policies continued

Basis of preparation continued

The Group is currently assessing the potential impact of these new standards and amendments. The Group will adopt these new standards and amendments from their respective effective dates.

A complete set of IFRS 9 'Financial Instruments' has been published which replaces IAS 39 'Financial Instruments: Recognition and Measurement'. This complete version includes revised guidance on the classification and measurement of financial assets and liabilities. It also includes a new expected credit losses model that replaces the incurred loss impairment model used today. A substantially-reformed approach to hedging accounting is also introduced. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 15 'Revenue from Contracts with Customers' establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. The core principle in that framework is that a company should recognise revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in new disclosure requirements on revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. IFRS 15 replaces IAS 11 'Construction Contracts', IAS 18 'Revenue', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for the Construction of Real Estate', IFRIC 18 'Transfers of Assets from Customers' and SIC-31 'Revenue – Barter Transactions Involving Advertising Services'.

IFRS 16 'Leases' which replaces IAS 17 'Leases' and related interpretations, requires lessees to bring their leases onto the balance sheet. For lessees, IFRS 16 eliminates the classification of leases as either operating leases or finance leases which is required by IAS 17 and, instead, introduces a single lessee accounting model. The model requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures a right-of-use asset similarly to other non-financial asset and a lease liability similarly to other financial liability. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion. Assets and liabilities arising from a lease are initially measured on a present value basis. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. A lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Amendments to IFRS 11 'Joint Arrangements' introduce new guidance on the accounting for the acquisition of an interest in a joint operation that constitutes a business. Acquirers of such interests shall apply all of the principles on business combinations accounting in IFRS 3 'Business Combinations', and other IFRSs, that do not conflict with the guidance in IFRS 11 and disclose the information that is required in those IFRSs in relation to business combinations.

Amendments to IAS 1 and IAS 7 'Disclosure Initiative' are part of the International Accounting Standards Board's initiatives to improve the effectiveness of disclosure in financial reporting. Amendments to IAS 1 clarify that companies shall apply professional judgments in determining what information to disclose and how to structure it in the financial statements. The amendments include narrow-focus improvements in the guidance on materiality, disaggregation and subtotals, note structure, disclosure of accounting policies and presentation of items of other comprehensive income arising from equity accounted investments. Amendments to IAS 7 require companies to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Amendments to IAS 12 'Income Taxes' clarify the requirements on the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value.

Amendments to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets' clarify that the use of revenue-based methods to calculate the depreciation or amortisation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments to IAS 38 further clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption however, can be rebutted in certain limited circumstances.

1 Principal Accounting Policies continued

Basis of preparation continued

Annual Improvements to IFRSs 2012 – 2014 Cycle comprise a number of non-urgent but necessary amendments. None of these amendments is likely to have a significant impact on the consolidated financial statements of the Group.

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 4.

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 recognised 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.

1 Principal Accounting Policies continued

Foreign currencies continued

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. Exchange differences on available-for-sale investments are recognised in other comprehensive income as part of the gains and losses arising from changes in their fair value. Exchange differences relating to changes in the amortised cost of monetary securities classified as available-for-sale and all other exchange differences are recognised in profit and loss.

Goodwill and fair value adjustments arising on acquisition of a foreign entity after 1st 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.

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.

Goodwill

Goodwill represents the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the acquisition-date fair value of any previously held equity interest in the acquiree over the acquisition-date fair value of the Group's share of the net identifiable assets acquired. Non-controlling interests are measured at their proportionate share of the net identifiable assets at the acquisition date. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in profit and loss. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in investment in associates and joint ventures. Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing and is carried at cost less accumulated impairment loss.

The profit or loss on disposal of subsidiaries, associates and joint ventures includes is stated after deducting the carrying amount of goodwill relating to the entity sold.

Leasehold land

Leasehold land represents payments to third parties to acquire short-term interests in property. These payments are stated at cost and are amortised over the useful life of the lease which includes the renewal period if the lease can be renewed by the Group without significant cost.

Tangible fixed assets and depreciation

Long-term interests in leasehold land are classified as finance leases and grouped under tangible fixed assets if substantially all risks and rewards relating to the land have been transferred to the Group, and are amortised over the useful life of the lease. The building component of owner-occupied leasehold properties are stated at cost less accumulated depreciation and impairment. Other tangible fixed assets are stated at cost less amounts provided for depreciation.

Depreciation of tangible 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:

Furniture, equipment and motor vehicles	3 – 10 years
Leasehold land	period of the lease

Where the carrying amount of a tangible 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 tangible fixed assets is recognised by reference to their carrying amount.

1 Principal Accounting Policies continued

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.

Investments

Investments are classified by management as available for sale or held to maturity on initial recognition. Available-for-sale investments are shown at fair value. Gains and losses arising from changes in the fair value are recognised in other comprehensive income and accumulated in equity. On the disposal of an investment or when an investment is determined to be impaired, the cumulative gain or loss previously deferred in equity is recognised in profit and loss. Held-to-maturity investments are shown at amortised cost. Investments are classified under non-current assets unless they are expected to be realised within 12 months after the balance sheet date.

At each balance sheet date, the Group assesses whether there is objective evidence that an investment is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired and are recognised in profit and loss.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investment.

Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit and loss on a straight line basis over the period of the lease. When a lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

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, and construction and other development costs.

Debtors

Debtors, excluding derivative financial instruments, are measured at amortised cost except where the effect of discounting would be immaterial. Provision for impairment is established when there is objective evidence that the outstanding amounts will not be collected. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the debtor is impaired. 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.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise deposits with banks and financial institutions, and bank and cash balances, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current borrowings.

1 Principal Accounting Policies continued

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 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. The pension obligations are measured as the present value of the estimated future cash outflows by reference to market yields on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. 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.

Non-current assets held for sale

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

1 Principal Accounting Policies continued

Derivative financial instruments

The Group only enters into derivative financial instruments in order to hedge underlying exposures. 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.

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. 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 forecast transaction or firm commitment results in the recognition of a non-financial asset or of a non-financial liability, the gains and losses previously deferred in hedging reserves are transferred from hedging reserves and included in the initial measurement of the cost of the asset or liability. 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. 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 IAS 39. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IAS 39 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.

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, 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.

Earnings per share

Earnings per share are calculated on profit attributable to shareholders and on the weighted average number of shares in issue during the year.

1 Principal Accounting Policies continued

Dividends

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

Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

i) Revenue from sale of properties is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the properties are delivered to customers.

ii) Receipts under operating leases are accounted for on an accrual basis over the lease terms.

iii) Revenue from rendering of services is recognised when services are performed, provided that the amount can be measured reliably.

iv) Dividend income is recognised when the right to receive payment is established.

v) Interest income is recognised on a time proportion basis taking into account the principal amounts outstanding and the interest rates applicable.

Pre-operating costs

Pre-operating costs are expensed as they are incurred.

2 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. 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 IAS 39. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised immediately in profit and loss account. It is the Group's policy not to enter into derivative transactions for speculative purposes. The notional amounts and fair values of derivative financial instruments at 31st December 2015 are disclosed in Note 24.

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.

2 Financial Risk Management continued

Financial risk factors continued

i) Market risk continued

Foreign exchange risk continued

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 31st December 2015, 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$1,640 million (2014: US$1,650 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 31st December 2015, the Group's interest rate hedge was 56% (2014: 57%) with an average tenor of nine years (2014: nine years). The interest rate profile of the Group's borrowings after taking into account hedging transactions are set out in Note 20.

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 generally up to five years or longer to match the maturity of the underlying exposure. Forward rate agreements and interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

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.

At 31st December 2015, 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$3 million (2014: US$6 million) higher/lower and hedging reserve would have been US$73 million (2014: US$78 million) higher/lower, 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 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.

2 Financial Risk Management continued

Financial risk factors continued

i) Market risk continued

Price risk

The Group is exposed to securities price risk because of listed investments which are available for sale and held by the Group at fair value. Gains and losses arising from changes in the fair value of available-for-sale investments are recognised in other comprehensive income. The performance of the Group's listed and unlisted available-for-sale investments are monitored regularly, together with an assessment of their relevance to the Group's long term strategic plans. Details of the Group's available-for-sale investments are contained in Note 14.

Available-for-sale investments are unhedged. At 31st December 2015, if the price of listed available-for-sale investments had been 25% higher/lower with all other variables held constant, total equity would have been US$15 million (2014: US$13 million) higher/lower unless impaired. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

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. At 31st December 2015, 82% (2014: 96%) of deposits and balances with banks and financial institutions were made to institutions with Moody's credit ratings of no less than A3, 16% (2014: 1%) at Baa1 and 2% (2014: 3%) at Baa2 or below. 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.

iii) Liquidity risk

Prudent liquidity risk management includes managing the profile of debt maturities and funding sources, maintaining sufficient cash and marketable securities, 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 31st December 2015, total committed and uncommitted borrowing facilities amounted to US$6,606 million (2014: US$7,358 million) of which US$3,910 million (2014: US$4,320 million) was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities, totalled US$2,554 million (2014: US$2,888 million).

2 Financial Risk Management continued

Financial risk factors continued

iii) Liquidity risk continued

The following table analyses the Group's non-derivative financial liabilities, net-settled derivative financial 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
2015							
Borrowings	**317.1**	**350.3**	**411.1**	**546.1**	**475.0**	**2,922.8**	**5,022.4**
Trade and other creditors	**482.3**	**7.1**	**7.3**	**4.3**	**0.2**	**45.1**	**546.3**
Gross settled derivative financial instruments							
– inflow	**74.0**	**74.0**	**74.0**	**150.9**	**132.9**	**1,724.0**	**2,229.8**
– outflow	**60.6**	**60.6**	**60.6**	**136.3**	**120.1**	**1,691.5**	**2,129.7**
2014							
Borrowings	438.4	493.0	344.7	515.0	438.6	3,317.8	5,547.5
Trade and other creditors	419.5	100.6	6.7	0.2	0.2	31.9	559.1
Gross settled derivative financial instruments							
– inflow	419.7	74.0	74.0	74.0	150.8	1,857.7	2,650.2
– outflow	418.8	60.1	60.1	60.1	141.1	1,814.8	2,555.0

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 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. 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 31st December 2015 and 2014 are as follows:

	2015	2014
Gearing ratio (%)	**8**	10
Interest cover (times)	**12**	13

2 Financial Risk Management continued

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.

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 year.

The table below analyses financial instruments carried at fair value, 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
2015			
Assets			
Available-for-sale financial assets			
– listed securities	**61.3**	**–**	**61.3**
Derivative designated at fair value			
– through other comprehensive income	**–**	**4.4**	**4.4**
– through profit and loss	**–**	**22.3**	**22.3**
	61.3	**26.7**	**88.0**
Liabilities			
Derivative designated at fair value			
– through other comprehensive income	**–**	**(18.0)**	**(18.0)**
– through profit and loss	**–**	**(6.8)**	**(6.8)**
	–	**(24.8)**	**(24.8)**
2014			
Assets			
Available-for-sale financial assets			
– listed securities	53.0	–	53.0
Derivative designated at fair value			
– through other comprehensive income	–	20.9	20.9
– through profit and loss	–	19.7	19.7
	53.0	40.6	93.6
Liabilities			
Derivative designated at fair value			
– through other comprehensive income	–	(17.5)	(17.5)
– through profit and loss	–	(9.7)	(9.7)
	–	(27.2)	(27.2)

There were no transfers among the two categories during the year ended 31st December 2015.

2 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 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.

Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts as at 31st December 2015 and 2014 are as follows:

	Loans and receivables US$m	Derivatives used for hedging US$m	Available-for-sale US$m	Other financial instruments at amortised cost US$m	Other financial instruments at fair value through profit and loss US$m	Total carrying amount US$m	Fair value US$m
2015							
Assets							
Other investments	**–**	**–**	**61.3**	**–**	**–**	**61.3**	**61.3**
Debtors	**151.9**	**26.7**	**–**	**–**	**11.4**	**190.0**	**190.0**
Bank balances	**1,569.2**	**–**	**–**	**–**	**–**	**1,569.2**	**1,569.2**
	1,721.1	**26.7**	**61.3**	**–**	**11.4**	**1,820.5**	**1,820.5**
Liabilities							
Borrowings	**–**	**–**	**–**	**(3,909.7)**	**–**	**(3,909.7)**	**(4,019.9)**
Creditors	**–**	**(24.8)**	**–**	**(546.3)**	**–**	**(571.1)**	**(571.1)**
	–	**(24.8)**	**–**	**(4,456.0)**	**–**	**(4,480.8)**	**(4,591.0)**
2014							
Assets							
Other investments	–	–	53.0	–	–	53.0	53.0
Debtors	149.0	40.6	–	–	12.1	201.7	201.7
Bank balances	1,662.6	–	–	–	–	1,662.6	1,662.6
	1,811.6	40.6	53.0	–	12.1	1,917.3	1,917.3
Liabilities							
Borrowings	–	–	–	(4,319.6)	–	(4,319.6)	(4,394.9)
Creditors	–	(27.2)	–	(559.1)	–	(586.3)	(586.3)
	–	(27.2)	–	(4,878.7)	–	(4,905.9)	(4,981.2)

3 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. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

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 leasehold land, tangible 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.

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 and Singapore, capitalisation rates in the range of 3.50% to 4.20% for office (2014: 3.50% to 4.45%) and 4.50% to 5.50% for retail (2014: 4.50% to 5.50%) are used in the fair value determination.

Considerations have 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.

Impairment of assets

The Group tests annually whether goodwill and other assets that have indefinite useful lives suffered any impairment. Other 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.

In determining when an available-for-sale equity investment is impaired, significant judgement is required. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financial cash flows.

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 applicable 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.

3 Critical Accounting Estimates and Judgements continued

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.

4 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 has two operating segments, namely Commercial Property and Residential Property. 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.

	2015				2014			
	Commercial Property US$m	**Residential Property US$m**	**Corporate US$m**	**Total US$m**	Commercial Property US$m	Residential Property US$m	Corporate US$m	Total US$m
Revenue	**973.2**	**958.9**	**–**	**1,932.1**	961.3	915.0	–	1,876.3
Net operating costs	**(170.9)**	**(705.6)**	**(61.8)**	**(938.3)**	(160.6)	(586.1)	(62.3)	(809.0)
Share of operating profit of associates and joint ventures	**139.4**	**100.4**	**–**	**239.8**	152.4	69.5	–	221.9
Underlying operating profit	**941.7**	**353.7**	**(61.8)**	**1,233.6**	953.1	398.4	(62.3)	1,289.2
Net financing charges								
– subsidiaries				**(74.4)**				(69.0)
– share of associates and joint ventures				**(32.8)**				(33.8)
				(107.2)				(102.8)
Tax								
– subsidiaries				**(150.8)**				(187.9)
– share of associates and joint ventures				**(58.2)**				(60.0)
				(209.0)				(247.9)
Non-controlling interests								
– subsidiaries				**(4.6)**				(3.3)
– share of associates and joint ventures				**(8.3)**				(5.3)
				(12.9)				(8.6)
Underlying profit attributable to shareholders				**904.5**				929.9
Non-trading items:								
– change in fair value of investment properties				**1,093.1**				389.3
– asset impairment reversals				**14.1**				9.3
– net operating costs				**–**				(1.1)
				1,107.2				397.5
Profit attributable to shareholders				**2,011.7**				1,327.4

4 **Segmental Information** continued

	Revenue 2015 US$m	Revenue 2014 US$m	Underlying operating profit 2015 US$m	Underlying operating profit 2014 US$m	Underlying profit attributable to shareholders 2015 US$m	Underlying profit attributable to shareholders 2014 US$m
By geographical location						
Greater China	**1,218.3**	1,375.4	**1,027.2**	1,049.4	**1,013.1**	1,038.4
Southeast Asia and others	**713.8**	500.9	**268.2**	302.1	**266.8**	300.8
Corporate, net financing charges and tax	**–**	–	**(61.8)**	(62.3)	**(375.4)**	(409.3)
	1,932.1	1,876.3	**1,233.6**	1,289.2	**904.5**	929.9

	Segment assets: Investment properties US$m	Segment assets: Properties for sale US$m	Segment assets: Others US$m	Segment liabilities US$m	Unallocated assets and liabilities US$m	Total assets and liabilities US$m
By business						
2015						
Commercial Property	**28,925.7**	**–**	**352.3**	**(542.8)**	**–**	**28,735.2**
Residential Property	**327.6**	**4,484.8**	**359.1**	**(1,923.8)**	**–**	**3,247.7**
Unallocated assets and liabilities	**–**	**–**	**–**	**–**	**(3,262.7)**	**(3,262.7)**
	29,253.3	**4,484.8**	**711.4**	**(2,466.6)**	**(3,262.7)**	**28,720.2**
2014						
Commercial Property	27,883.2	–	290.1	(516.0)	–	27,657.3
Residential Property	287.5	4,294.9	639.0	(1,966.0)	–	3,255.4
Unallocated assets and liabilities	–	–	–	–	(3,314.3)	(3,314.3)
	28,170.7	4,294.9	929.1	(2,482.0)	(3,314.3)	27,598.4
By geographical location						
2015						
Greater China	**25,203.3**	**2,784.5**	**465.2**	**(1,630.3)**	**–**	**26,822.7**
Southeast Asia and others	**4,050.0**	**1,700.3**	**246.2**	**(836.3)**	**–**	**5,160.2**
Unallocated assets and liabilities	**–**	**–**	**–**	**–**	**(3,262.7)**	**(3,262.7)**
	29,253.3	**4,484.8**	**711.4**	**(2,466.6)**	**(3,262.7)**	**28,720.2**
2014						
Greater China	23,985.8	2,457.7	666.4	(1,608.0)	–	25,501.9
Southeast Asia and others	4,184.9	1,837.2	262.7	(874.0)	–	5,410.8
Unallocated assets and liabilities	–	–	–	–	(3,314.3)	(3,314.3)
	28,170.7	4,294.9	929.1	(2,482.0)	(3,314.3)	27,598.4

Unallocated assets and liabilities include tax assets and liabilities, bank balances and borrowings.

5 Revenue

	2015 US$m	2014 US$m
Rental income	**851.1**	842.5
Service income	**126.1**	123.9
Sales of properties	**954.9**	909.9
	1,932.1	1,876.3

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

Total contingent rents included in rental income amounted to US$10.5 million (2014: US$14.4 million).

	2015 US$m	2014 US$m
The future minimum rental payments receivable under non-cancellable leases are as follows:		
Within one year	**764.9**	718.5
Between one and two years	**543.9**	518.5
Between two and five years	**501.7**	469.5
Beyond five years	**362.1**	96.8
	2,172.6	1,803.3

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

6 Net Operating Costs

	2015 US$m	2014 US$m
Cost of sales	**(904.6)**	(718.6)
Gain on reclassification of a trading property to investment property	**63.2**	–
Other income	**10.0**	13.6
Administrative expenses	**(106.9)**	(105.1)
	(938.3)	(810.1)
The following credits/(charges) are included in net operating costs:		
Cost of properties for sale recognised as expense	**(762.1)**	(614.8)
Operating expenses arising from investment properties	**(163.9)**	(159.4)
Reversal of writedowns on properties for sale	**21.4**	55.6
Depreciation of tangible fixed assets	**(2.9)**	(2.4)
Employee benefit expense		
– salaries and benefits in kind	**(102.3)**	(102.2)
– defined contribution pension plans	**(1.6)**	(1.0)
– defined benefit pension plans	**(1.4)**	(1.6)
	(105.3)	(104.8)
Auditors' remuneration		
– audit	**(1.4)**	(1.5)
– non-audit services	**(0.4)**	(0.2)
	(1.8)	(1.7)

The number of employees at 31st December 2015 was 1,503 (2014: 1,435).

7 Net Financing Charges

	2015 US$m	2014 US$m
Interest expense		
– bank loans and overdrafts	**(24.6)**	(18.0)
– other borrowings	**(112.0)**	(116.7)
Total interest expense	**(136.6)**	(134.7)
Interest capitalised	**36.2**	30.9
	(100.4)	(103.8)
Commitment and other fees	**(14.4)**	(9.7)
Financing charges	**(114.8)**	(113.5)
Financing income	**40.4**	44.5
	(74.4)	(69.0)

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

8 Share of Results of Associates and Joint Ventures

	2015 US$m	2014 US$m
By business		
Commercial Property	**84.8**	98.0
Residential Property	**55.7**	24.8
Underlying business performance	**140.5**	122.8
Non-trading items:		
Change in fair value of investment properties		
– Commercial Property	**63.2**	390.8
– Residential Property	**5.8**	1.4
	69.0	392.2
Asset disposals	**0.2**	0.1
	69.2	392.3
	209.7	515.1

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$554.0 million (2014: US$590.6 million).

9 Tax

Tax charged to profit and loss is analysed as follows:

	2015 US$m	2014 US$m
Current tax	**(148.0)**	(169.0)
Deferred tax		
– changes in fair value of investment properties	**13.6**	(7.8)
– other temporary differences	**(2.8)**	(18.9)
	10.8	(26.7)
	(137.2)	(195.7)

Reconciliation between tax expense and tax at applicable tax rate:

	2015 US$m	2014 US$m
Tax at applicable tax rate	**(318.6)**	(185.0)
Change in fair value of investment properties not deductible in determining taxable profit	**166.5**	(4.9)
Asset impairment reversals not taxable in determining taxable profit	**2.3**	1.5
Income not subject to tax	**32.0**	23.4
Expenses not deductible in determining taxable profit	**(7.9)**	(7.4)
Withholding tax	**(6.5)**	(8.2)
Overprovision in prior years	**0.1**	5.0
Land appreciation tax in mainland China	**(5.5)**	(21.5)
Others	**0.4**	1.4
	(137.2)	(195.7)

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

	2015 US$m	2014 US$m
Remeasurements of defined benefit plans	**0.5**	0.4
Cash flow hedges	**5.8**	(3.5)
	6.3	(3.1)

The applicable tax rate for the year of 16.5% (2014: 17.7%) represents the weighted average of the rates of taxation prevailing in the territories in which the Group operates. The decrease in the applicable tax rate was caused by a change in the geographic mix of the Group's profits.

The Group has no tax payable in the United Kingdom (2014: Nil).

Share of tax charge of associates and joint ventures of US$62.7 million (2014: US$86.0 million) is included in share of results of associates and joint ventures.

10 Earnings per Share

Earnings per share are calculated on profit attributable to shareholders of US$2,011.7 million (2014: US$1,327.4 million) and on the weighted average number of 2,352.8 million (2014: 2,352.8 million) shares in issue during the year.

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

	2015		2014	
		Earnings per share		Earnings per share
	US$m	**US¢**	US$m	US¢
Underlying profit attributable to shareholders	**904.5**	**38.44**	929.9	39.52
Non-trading items (see Note 11)	**1,107.2**		397.5	
Profit attributable to shareholders	**2,011.7**	**85.50**	1,327.4	56.42

11 Non-trading Items

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

	2015	2014
	US$m	US$m
Change in fair value of investment properties	**999.9**	15.9
Deferred tax on change in fair value of investment properties	**13.6**	(7.8)
Asset impairment reversals	**13.9**	9.2
Expenses relating to transfer of listing segment of the Company's shares	**–**	(1.1)
Share of results of associates and joint ventures		
– change in fair value of investment properties	**73.5**	418.1
– deferred tax	**(4.5)**	(25.9)
	69.0	392.2
– asset disposals	**0.2**	0.2
– current tax	**–**	(0.1)
	0.2	0.1
	69.2	392.3
Non-controlling interests	**10.6**	(11.0)
	1,107.2	397.5

12 Investment Properties

	Completed commercial properties US$m	Under development commercial properties US$m	Completed residential properties US$m	Total US$m
2015				
At 1st January	**22,797.7**	**754.7**	**144.9**	**23,697.3**
Exchange differences	**(20.1)**	**(35.7)**	**(2.9)**	**(58.7)**
Additions	**87.1**	**154.8**	**76.9**	**318.8**
Increase/(decrease) in fair value	**1,120.0**	**(132.4)**	**12.3**	**999.9**
At 31st December	**23,984.7**	**741.4**	**231.2**	**24,957.3**
Freehold properties				**132.4**
Leasehold properties				**24,824.9**
				24,957.3
2014				
At 1st January	22,802.0	642.6	138.4	23,583.0
Exchange differences	(32.7)	(14.8)	(0.7)	(48.2)
Additions	24.8	120.0	1.8	146.6
Increase in fair value	3.6	6.9	5.4	15.9
At 31st December	22,797.7	754.7	144.9	23,697.3
Freehold properties				72.4
Leasehold properties				23,624.9
				23,697.3

The Group measures its investment properties at fair value. The fair values of the Group's investment properties at 31st December 2015 and 2014 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 employed Jones Lang LaSalle to value its commercial investment properties in Hong Kong, mainland China, Singapore, Vietnam and Cambodia which are either freehold or held under leases with unexpired lease terms of more than 20 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 77. The valuations are comprehensively reviewed by the Group.

At 31st December 2015, investment properties of US$638.2 million were pledged as security for borrowings (see Note 20).

Fair value measurements of residential properties using no significant non-observable inputs
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 Investment Properties continued

Fair value measurements of commercial properties using significant unobservable inputs

Fair values of completed commercial properties in Hong Kong 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' view of recent lettings, within the subject properties and other comparable properties.

Fair values of completed commercial properties in Vietnam and 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.

Information about fair value measurements using significant unobservable inputs at 31st December 2015:

			Range of significant unobservable inputs	
	Fair value US$m	Valuation method	Prevailing market rent per month US$	Capitalisation/ discount rate %
Completed properties				
Hong Kong	**23,400.3**	Income capitalisation	4.6 to 39.5 per square foot	3.50 to 5.50
Singapore	**533.0**	Income capitalisation	5.5 to 8.1 per square foot	3.50 to 5.50
Vietnam and Cambodia	**51.4**	Discounted cash flow	20.0 to 51.1 per square metre	14.00 to 15.00
Total	**23,984.7**			
Properties under development				
Mainland China	**638.2**	Residual	122.9 per square metre	4.75
Cambodia	**103.2**	Residual	32.0 to 73.0 per square metre	13.00
Total	**741.4**			

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.

13 Associates and Joint Ventures

	2015 US$m	2014 US$m
Unlisted associates	**42.3**	45.7
Unlisted joint ventures	**4,575.3**	4,858.4
Share of attributable net assets	**4,617.6**	4,904.1
By business		
Commercial Property	**3,437.1**	3,525.0
Residential Property	**1,180.5**	1,379.1
	4,617.6	4,904.1

	Associates		Joint ventures	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Movements of associates and joint ventures during the year:				
At 1st January	**45.7**	41.4	**4,858.4**	4,889.0
Exchange differences	**(0.4)**	(0.4)	**(45.8)**	(22.5)
Share of results after tax and non-controlling interests	**1.5**	7.8	**208.2**	507.3
Share of other comprehensive expenses after tax and non-controlling interests	**(2.8)**	(1.1)	**(211.6)**	(105.4)
Dividends received and receivable	**(1.2)**	(1.2)	**(111.3)**	(148.4)
Investments in and loans to associates and joint ventures	**–**	–	**254.4**	217.0
Advances/repayments from associates and joint ventures	**(0.5)**	(0.8)	**(390.4)**	(477.4)
Asset impairment reversal	**–**	–	**13.9**	–
Others	**–**	–	**(0.5)**	(1.2)
At 31st December	**42.3**	45.7	**4,575.3**	4,858.4

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.

Nature of investments in material joint ventures in 2015 and 2014:

Name of entity	Nature of business	Country of incorporation/ principal place of business	% of ownership interest 2015	% of ownership interest 2014
Properties Sub F, Ltd	Property investment	Macau	**49.0**	49.0
BFC Development LLP	Property investment	Singapore	**33.3**	33.3
Central Boulevard Development Pte Ltd	Property investment	Singapore	**33.3**	33.3
One Raffles Quay Pte Ltd	Property investment	Singapore	**33.3**	33.3

13 Associates and Joint Ventures continued

Summarised financial information for material joint ventures

Set out below are the summarised financial information for the Group's material joint ventures.

Summarised balance sheet at 31st December:

	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
2015				
Non-current assets	**1,573.5**	**3,373.0**	**2,605.3**	**2,580.6**
Current assets				
Cash and cash equivalents	**19.8**	**8.6**	**40.8**	**10.5**
Other current assets	**47.8**	**4.9**	**14.1**	**1.1**
Total current assets	**67.6**	**13.5**	**54.9**	**11.6**
Non-current liabilities				
Financial liabilities (excluding trade payables)	**(34.6)**	**(1,196.2)**	**(1,134.8)**	**(727.6)**
Other non-current liabilities (including trade payables)	**(166.5)**	**–**	**(18.9)**	**(187.7)**
Total non-current liabilities	**(201.1)**	**(1,196.2)**	**(1,153.7)**	**(915.3)**
Current liabilities				
Financial liabilities (excluding trade payables)	**(0.9)**	**(0.9)**	**(6.2)**	**(3.1)**
Other current liabilities (including trade payables)	**(37.5)**	**(65.3)**	**(38.2)**	**(44.1)**
Total current liabilities	**(38.4)**	**(66.2)**	**(44.4)**	**(47.2)**
Net assets	**1,401.6**	**2,124.1**	**1,462.1**	**1,629.7**
2014				
Non-current assets	1,575.2	3,580.9	2,676.4	2,726.3
Current assets				
Cash and cash equivalents	38.3	28.6	55.2	11.2
Other current assets	58.6	11.8	70.1	2.1
Total current assets	96.9	40.4	125.3	13.3
Non-current liabilities				
Financial liabilities (excluding trade payables)	(53.7)	(1,291.0)	(1,213.9)	(786.6)
Other non-current liabilities (including trade payables)	(158.1)	–	(14.2)	(196.1)
Total non-current liabilities	(211.8)	(1,291.0)	(1,228.1)	(982.7)
Current liabilities				
Financial liabilities (excluding trade payables)	(0.8)	(2.9)	(6.2)	(11.2)
Other current liabilities (including trade payables)	(48.4)	(96.6)	(70.3)	(36.4)
Total current liabilities	(49.2)	(99.5)	(76.5)	(47.6)
Net assets	1,411.1	2,230.8	1,497.1	1,709.3

13 Associates and Joint Ventures *continued*

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

	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
2015				
Revenue	**93.9**	**161.0**	**191.8**	**119.6**
Depreciation and amortisation	**(6.7)**	**(0.1)**	**(0.1)**	**–**
Interest income	**–**	**–**	**0.2**	**–**
Interest expense	**(1.5)**	**(52.4)**	**(24.2)**	**(22.2)**
Profit from underlying business performance	**47.5**	**69.9**	**90.2**	**63.4**
Income tax expense	**(6.2)**	**(11.8)**	**(14.7)**	**(10.9)**
Profit after tax from underlying business performance	**41.3**	**58.1**	**75.5**	**52.5**
Profit after tax from non-trading items	**1.7**	**42.7**	**113.0**	**30.2**
Profit after tax	**43.0**	**100.8**	**188.5**	**82.7**
Other comprehensive expense	**1.2**	**(148.2)**	**(96.8)**	**(109.7)**
Total comprehensive income	**44.2**	**(47.4)**	**91.7**	**(27.0)**
Group's share of dividends received and receivable from joint ventures	**26.2**	**19.8**	**42.3**	**17.6**
2014				
Revenue	139.8	163.8	123.8	127.7
Depreciation and amortisation	(7.4)	(0.2)	(0.1)	–
Interest income	–	–	0.1	–
Interest expense	(2.6)	(46.8)	(21.4)	(22.3)
Profit from underlying business performance	85.2	82.9	70.3	72.2
Income tax expense	(10.1)	(12.9)	(10.8)	(12.3)
Profit after tax from underlying business performance	75.1	70.0	59.5	59.9
Profit after tax from non-trading items	362.0	136.1	356.1	74.6
Profit after tax	437.1	206.1	415.6	134.5
Other comprehensive expense	(0.4)	(91.9)	(55.1)	(67.9)
Total comprehensive income	436.7	114.2	360.5	66.6
Group's share of dividends received and receivable from joint ventures	41.0	28.6	41.3	22.3

The information above reflects 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.

13 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 31st December:

	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
2015				
Net assets	**1,401.6**	**2,124.1**	**1,462.1**	**1,629.7**
Shareholders' loans	**35.5**	**1,196.2**	**–**	**95.3**
Adjusted net assets	**1,437.1**	**3,320.3**	**1,462.1**	**1,725.0**
Interest in joint ventures (%)	**49.0**	**33.3**	**33.3**	**33.3**
Group's share of net assets in joint ventures	**704.3**	**1,106.7**	**487.4**	**575.0**
2014				
Net assets	1,411.1	2,230.8	1,497.1	1,709.3
Shareholders' loans	54.7	1,291.0	–	102.1
Adjusted net assets	1,465.8	3,521.8	1,497.1	1,811.4
Interest in joint ventures (%)	49.0	33.3	33.3	33.3
Group's share of net assets in joint ventures	718.2	1,173.9	499.1	603.8

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.

	2015 US$m	2014 US$m
Share of profit	**63.8**	41.0
Share of other comprehensive expense	**(94.8)**	(33.6)
Share of total comprehensive (expense)/income	**(31.0)**	7.4
Carrying amount of interests in these joint ventures	**1,701.9**	1,863.4

At 31st December 2015, the Group's commitments to provide funding to its joint ventures, if called, amounted to US$146.0 million (2014: US$174.5 million).

There were no contingent liabilities relating to the Group's interest in the joint ventures at 31st December 2015 and 2014.

14 Other Investments

	2015 US$m	2014 US$m
Available-for-sale financial assets		
– listed securiites	**61.3**	53.0

15 Debtors

	2015 US$m	2014 US$m
Trade debtors	**83.9**	84.1
Other debtors		
– third parties	**279.9**	226.6
– associates and joint ventures	**33.1**	36.4
	396.9	347.1
Non-current	**41.2**	54.9
Current	**355.7**	292.2
	396.9	347.1
By geographical area of operation		
Greater China	**239.9**	187.7
Southeast Asia and others	**157.0**	159.4
	396.9	347.1

Trade and other debtors excluding derivative financial instruments are stated at amortised cost. The fair value of these debtors approximates their carrying amounts, as the impact of discounting is not significant. Derivative financial instruments are stated at fair value.

An allowance for impairment of trade debtors is made based on the estimated irrecoverable amount. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payment are considered indicators that the debt is impaired.

At 31st December 2015, trade debtors of US$5.9 million (2014: US$6.4 million) were past due but not impaired. The ageing analysis of these trade debtors is as follows:

	2015 US$m	2014 US$m
Below 30 days	**4.8**	5.3
Between 31 and 60 days	**0.6**	0.4
Between 61 and 90 days	**0.3**	–
Over 90 days	**0.2**	0.7
	5.9	6.4

The risk of trade and other debtors that are neither past due nor impaired at 31st December 2015 becoming impaired is low as they have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

15 Debtors continued

Other debtors are further analysed as follows:

	2015 US$m	2014 US$m
Prepayments	206.9	145.4
Derivative financial instruments	26.7	40.6
Amounts due from associates and joint ventures	33.1	36.4
Others	46.3	40.6
	313.0	263.0

16 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
2015					
At 1st January	0.3	(64.5)	(17.2)	(25.7)	(107.1)
Exchange differences	–	–	1.1	–	1.1
Credited/(charged) to profit and loss	0.2	(5.8)	13.6	2.8	10.8
Charged to other comprehensive income	–	–	–	6.3	6.3
At 31st December	0.5	(70.3)	(2.5)	(16.6)	(88.9)
Deferred tax assets	0.5	–	–	12.6	13.1
Deferred tax liabilities	–	(70.3)	(2.5)	(29.2)	(102.0)
	0.5	(70.3)	(2.5)	(16.6)	(88.9)
2014					
At 1st January	0.1	(60.0)	(9.5)	(8.2)	(77.6)
Exchange differences	–	–	0.1	0.2	0.3
Credited/(charged) to profit and loss	0.2	(4.5)	(7.8)	(14.6)	(26.7)
Charged to other comprehensive income	–	–	–	(3.1)	(3.1)
At 31st December	0.3	(64.5)	(17.2)	(25.7)	(107.1)
Deferred tax assets	0.3	–	–	3.4	3.7
Deferred tax liabilities	–	(64.5)	(17.2)	(29.1)	(110.8)
	0.3	(64.5)	(17.2)	(25.7)	(107.1)

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$1.0 million (2014: US$1.6 million) arising from unused tax losses of US$5.6 million (2014: US$7.8 million) have not been recognised in the financial statements. Included in the unused tax losses, US$4.8 million (2014: US$4.7 million) have no expiry date and the balance will expire at various dates up to and including 2018.

17 Properties for Sale

	2015 US$m	2014 US$m
Properties under development	**2,628.5**	2,734.8
Completed properties	**102.2**	228.9
	2,730.7	2,963.7
Provision for impairment	**(16.8)**	(40.6)
	2,713.9	2,923.1

At 31st December 2015, properties under development which were not scheduled for completion within the next 12 months amounted to US$2,018.1 million (2014: US$2,134.6 million).

At 31st December 2015, properties for sale of US$795.6 million (2014: US$732.0 million) were pledged as security for borrowings (see Note 20).

18 Bank Balances

	2015 US$m	2014 US$m
Deposits with banks and financial institutions	**1,399.9**	1,431.2
Bank balances	**169.3**	231.4
	1,569.2	1,662.6

Deposits and bank balances of certain subsidiaries amounting to US$77.5 million (2014: US$89.5 million) are held under the Housing Developers (Project Account) Rules in Singapore, withdrawals from which are subject to the provision of these Rules.

The weighted average interest rate on deposits with banks and financial institutions is 1.3% (2014: 0.9%) per annum.

19 Creditors

	2015 US$m	2014 US$m
Trade creditors	**424.1**	424.8
Other creditors	**122.2**	134.3
Tenants' deposits	**223.2**	204.2
Derivative financial instruments	**24.8**	27.2
Rent received in advance	**11.9**	14.6
Proceeds from properties for sale received in advance	**764.6**	696.7
	1,570.8	1,501.8
Non-current	**87.0**	60.1
Current	**1,483.8**	1,441.7
	1,570.8	1,501.8
By geographical area of operation		
Greater China	**951.4**	797.1
Southeast Asia and others	**619.4**	704.7
	1,570.8	1,501.8

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.

20 Borrowings

	2015		2014	
	Carrying amount US$m	Fair value US$m	Carrying amount US$m	Fair value US$m
Current				
Bank overdrafts	**3.3**	**3.3**	4.0	4.0
Current portion of long-term borrowings				
– bank loans	**165.6**	**165.6**	0.3	0.3
– notes	**–**	**–**	284.3	284.3
	168.9	**168.9**	288.6	288.6
Long-term				
Bank loans	**836.7**	**836.7**	1,119.6	1,119.6
Notes	**2,904.1**	**3,014.3**	2,911.4	2,986.7
	3,740.8	**3,851.0**	4,031.0	4,106.3
	3,909.7	**4,019.9**	4,319.6	4,394.9
Secured	**195.4**		212.0	
Unsecured	**3,714.3**		4,107.6	
	3,909.7		4,319.6	

20 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 1.4% to 6.2% (2014: 0.7% to 2.5%) 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 31st December 2015 and 2014 were certain subsidiaries' bank borrowings which were secured against their properties for sale and investment properties.

The borrowings 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					
2015					
Hong Kong dollar	**3.4**	**9.6**	**1,997.2**	**1,194.0**	**3,191.2**
Singapore dollar	**3.1**	**4.2**	**183.2**	**361.5**	**544.7**
Chinese renminbi	**6.2**	**–**	**–**	**173.5**	**173.5**
Vietnam dong	**5.7**	**–**	**–**	**0.3**	**0.3**
			2,180.4	**1,729.3**	**3,909.7**
2014					
Hong Kong dollar	3.5	10.6	1,996.6	1,145.0	3,141.6
Singapore dollar	2.3	2.5	475.0	702.7	1,177.7
United States dollar	5.3	–	–	0.3	0.3
			2,471.6	1,848.0	4,319.6

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 31st December after taking into account hedging transactions are as follows:

	2015 US$m	2014 US$m
Within one year	**1,729.2**	2,132.4
Between three and four years	**103.1**	–
Between four and five years	**234.5**	103.0
Beyond five years	**1,842.9**	2,084.2
	3,909.7	4,319.6

20 Borrowings continued

An analysis of the carrying amount of notes at 31st December is as follows:

	Maturity	2015 Non-current US$m	2014 Current US$m	2014 Non-current US$m
S$375m 10-year notes at 3.65%*	2015	**–**	284.3	–
Medium term notes				
S$50m 8-year notes at 3.86%	2017	**35.8**	–	39.3
HK$200m 10-year notes at 4.135%	2019	**25.7**	–	25.7
HK$300m 10-year notes at 4.1875%	2019	**38.7**	–	38.7
HK$300m 10-year notes at 4.25%	2019	**38.7**	–	38.7
HK$500m 10-year notes at 4.22%	2020	**69.2**	–	69.5
HK$500m 10-year notes at 4.24%	2020	**64.4**	–	64.3
S$150m 10-year notes at 3.43%	2020	**105.8**	–	113.3
HK$500m 10-year notes at 3.95%	2020	**64.3**	–	64.2
HK$500m 12-year notes at 4.28%	2021	**69.8**	–	68.8
HK$410m 10-year notes at 3.86%	2022	**52.6**	–	52.5
US$500m 10-year notes at 4.50%*	2022	**487.6**	–	484.0
HK$305m 10-year notes at 3.00%	2022	**39.1**	–	39.0
HK$200m 10-year notes at 2.90%	2022	**25.7**	–	25.6
HK$1,100m 10-year notes at 3.95%	2023	**141.0**	–	140.7
HK$300m 10-year notes at 3.95%	2023	**38.4**	–	38.4
US$400m 10-year notes at 4.625%*	2024	**407.7**	–	408.5
HK$300m 15-year notes at 4.10%	2025	**38.6**	–	38.5
US$600m 15-year notes at 4.50%*	2025	**614.6**	–	615.9
HK$302m 15-year notes at 3.75%	2026	**38.6**	–	38.6
HK$785m 15-year notes at 4.00%	2027	**99.6**	–	99.4
HK$473m 15-year notes at 4.04%	2027	**60.9**	–	60.8
HK$200m 15-year notes at 3.95%	2027	**25.7**	–	25.7
HK$300m 15-year notes at 3.15%	2028	**38.1**	–	38.0
HK$325m 15-year notes at 4.22%	2028	**41.6**	–	41.5
HK$400m 15-year notes at 4.40%	2029	**50.9**	–	50.8
HK$800m 20-year notes at 4.11%	2030	**103.2**	–	103.2
HK$200m 20-year notes at 4.125%	2031	**25.4**	–	25.4
HK$240m 20-year notes at 4.00%	2032	**30.3**	–	30.3
HK$250m 30-year notes at 5.25%	2040	**32.1**	–	32.1
		2,904.1	284.3	2,911.4

* Listed on the Singapore Exchange.

21 Share Capital

	Ordinary shares in millions 2015	2014	2015 US$m	2014 US$m
Authorised				
Shares of US$0.10 each	**4,000.0**	4,000.0	**400.0**	400.0
Issued and fully paid				
At 1st January and 31st December	**2,352.8**	2,352.8	**235.3**	235.3

22 Dividends

	2015 US$m	2014 US$m
Final dividend in respect of 2014 of US¢13.00 (2013: US¢12.00) per share	**305.8**	282.3
Interim dividend in respect of 2015 of US¢6.00 (2014: US¢6.00) per share	**141.2**	141.2
	447.0	423.5

A final dividend in respect of 2015 of US¢13.00 (2014: US¢13.00) per share amounting to a total of US$305.8 million (2014: US$305.8 million) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting. The amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2016.

23 Notes to Consolidated Cash Flow Statement

a) Increase in properties for sale in 2015 included the acquisition of a site in Singapore at US$259.1 million (2014: US$364.0 million) and payments for property sites in mainland China of US$21.5 million (2014: US$64.5 million).

b) Developments capital expenditure in 2015 included US$101.9 million (2014: US$104.9 million) for property developments in mainland China.

c) Cash and cash equivalents

	2015 US$m	2014 US$m
Bank balances	**1,569.2**	1,662.6
Bank overdrafts (see Note 20)	**(3.3)**	(4.0)
	1,565.9	1,658.6

24 Derivative Financial Instruments

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

	2015		2014	
	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				
– forward foreign exchange contracts	**–**	**–**	–	13.6
– cross currency swaps	**4.4**	**18.0**	20.9	3.9
Designated as fair value hedges				
– interest rate swaps	**5.7**	**–**	5.9	–
– cross currency swaps	**16.6**	**6.8**	13.8	9.7

Forward foreign exchange contracts

At 31st December 2015, there were no outstanding forward foreign exchange contracts (2014: US$358.7 million).

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts at 31st December 2015 were US$99.9 million (2014: US$102.4 million).

The fair values of interest rate swaps are based on the estimated cash flows discounted at market rates ranging from 0.39% to 2.06% (2014: 0.38% to 2.04%) per annum.

Cross currency swaps

The contract amounts of the outstanding cross currency swap contracts at 31st December 2015 were US$1,639.9 million (2014: US$1,649.8 million).

25 Commitments

	2015 US$m	2014 US$m
Capital commitments		
Authorised not contracted	**155.4**	240.8
Contracted not provided		
– joint ventures	**146.0**	174.5
– others	**201.5**	237.3
	347.5	411.8
	502.9	652.6
Operating lease commitments		
Due within one year	**3.3**	3.0
Due between one and two years	**1.2**	2.3
Due between two and five years	**0.4**	0.2
	4.9	5.5

26 Contingent Liabilities

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

27 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 2015 was US$4.5 million (2014: US$4.7 million), being 0.5% per annum of the Group's underlying profit in consideration for management consultancy services provided by JML, a wholly-owned subsidiary of JMH.

Property and other services
The Group rented properties to Jardine Matheson group members. Gross rents on such properties in 2015 amounted to US$19.1 million (2014: US$19.0 million).

The Group provided project consultancy services to Jardine Matheson group members in 2015 amounting to US$0.4 million (2014: US$0.4 million).

Jardine Matheson group members provided property construction, maintenance and other services to the Group in 2015 in aggregate amounting to US$50.7 million (2014: US$30.6 million).

Hotel management services
Jardine Matheson group members provided hotel management services to the Group in 2015 amounted to US$2.8 million (2014: US$3.2 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 (see Notes 15 and 19). The amounts are not material.

Directors' emoluments
Details of Directors' emoluments (being the key management personnel compensation) are shown on page 69 under the heading of 'Directors' Appointment, Retirement, Remuneration and Service Contracts'.

28 Summarised Balance Sheet of the Company

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

	2015 US$m	2014 US$m
Net operating assets		
Investments at cost		
Unlisted shares in subsidiaries	**4,481.7**	4,481.7
Net amounts due from subsidiaries	**1,238.1**	1,065.8
	5,719.8	5,547.5
Creditors and other accruals	**(20.9)**	(19.4)
	5,698.9	5,528.1
Total equity		
Share capital (see Note 21)	**235.3**	235.3
Revenue and other reserves		
Contributed surplus	**2,249.6**	2,249.6
Share premium	**386.9**	386.9
Revenue reserves	**2,827.1**	2,656.3
	5,463.6	5,292.8
Shareholders' funds	**5,698.9**	5,528.1

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 31st December 2015 are set out below.

	Attributable interests 2015 %	Attributable interests 2014 %	Issued share capital		Main activities	Place of incorporation
Subsidiaries						
Hongkong Land China Holdings Ltd*	**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 Ltd*	**100**	100	USD	12,000	Group management	Bermuda
The Hongkong Land Company, Ltd	**100**	100	HKD	1,293,180,006	Property investment	Hong Kong

* Owned directly

29 Principal Subsidiaries, Associates and Joint Ventures continued

	Attributable interests 2015 %	2014 %	Issued share capital		Main activities	Place of incorporation
Subsidiaries continued						
The Hongkong Land Property Company, Ltd	**100**	100	HKD	200	Property investment	Hong Kong
HKL (Chater House) Ltd	**100**	100	HKD	1,500,000	Property investment	Hong Kong
HKL (Landmark Hotel) Ltd	**100**	100	HKD	2	Hotel investment	Hong Kong
HKL (Prince's Building) Ltd	**100**	100	HKD	200	Property investment	Hong Kong
Hongkong Land (Property Management) Ltd	**100**	100	HKD	20	Property management	Hong Kong
Mulberry Land Company Ltd	**100**	100	HKD	200	Property investment	Hong Kong
Hongkong Land (One Central) Retail Property Management Ltd	**100**	100	MOP	25,000	Management and administration services	Macau
Beijing Yee Zhi Real Estate Consultancy Co Ltd	**100**	100	USD	1,000,000	Property consultancy	Mainland China
Hongkong Land (Beijing) Management Co Ltd	**100**	100	USD	150,000	Property management	Mainland China
Hongkong Land (Chongqing) Development Co Ltd	**100**	100	USD	479,990,000	Property development	Mainland China
Hongkong Land (Chongqing North) Development Co Ltd	**100**	100	HKD	3,980,000,000	Property development	Mainland China
Hongkong Land (Chongqing) Management Co Ltd	**100**	100	USD	5,150,000	Property investment, development and management	Mainland China
Wangfu Central Real Estate Development Co Ltd	**90**	90	RMB	3,500,000,000	Property development	Mainland China
HKL (Esplanade) Pte Ltd	**100**	100	SGD	150,000,000	Property investment	Singapore
HKL Treasury (Singapore) Pte Ltd	**100**	100	SGD	2	Finance	Singapore
Hongkong Land (Singapore) Pte Ltd	**100**	100	SGD	100,000	Property management	Singapore
The Hongkong Land Treasury Services (Singapore) Pte Ltd	**100**	100	SGD	2	Finance	Singapore

29 Principal Subsidiaries, Associates and Joint Ventures continued

	Attributable interests 2015 %	2014 %	Issued share capital		Main activities	Place of incorporation
Subsidiaries continued						
MCL Land Limited	**100**	100	SGD	511,736,041	Investment holding	Singapore
MCL Land (Brighton) Pte Ltd	**100**	100	SGD	1,000,000	Property development	Singapore
MCL Land (Gateway) Pte Ltd	**100**	100	SGD	1,000,000	Property development	Singapore
MCL Land (Pasir Ris) Pte Ltd	**100**	100	SGD	1,000,000	Property development	Singapore
MCL Land (Prestige) Pte Ltd	**100**	100	SGD	1,000,000	Property development	Singapore
MCL Land (Prime) Pte Ltd	**100**	100	SGD	1,000,000	Property development	Singapore
MCL Land (Serangoon) Pte Ltd	**100**	100	SGD	1,000,000	Property development	Singapore
MCL Land (Vantage) Pte Ltd	**100**	–	SGD	1,000,000	Property development	Singapore
MCL Land (Pantai View) Sdn Bhd	**100**	100	MYR	2,260,000	Property investment	Malaysia
PT Hongkong Land Consultancy and Management	**100**	100	USD	300,000	Consultancy and management	Indonesia
Central Building Ltd	**65**	71	USD	1,991,547	Property investment	Vietnam
Doan Ket International Co Ltd	**73.9**	73.9	USD	7,291,500	Property investment	Vietnam
HKL (Treasury Services) Ltd	**100**	100	USD	1	Finance	British Virgin Islands
The Hongkong Land Notes Co Ltd	**100**	100	USD	2	Finance	British Virgin Islands
The Hongkong Land Finance (Cayman Islands) Co Ltd	**100**	100	USD	2	Finance	Cayman Islands
King Kok Investment Ltd	**90**	90	USD	10,000	Property investment	Mauritius
Associates and joint ventures						
Bonus Plus Co Ltd	**50**	50	HKD	2	Property development	Hong Kong
Coastwise (HK) Limited	**50**	–	HKD	1	Property investment	Hong Kong
Normelle Estates Ltd	**50**	50	HKD	10,000	Property investment	Hong Kong
Properties Sub F, Ltd	**46.6**	46.6	MOP	1,000,000	Property investment	Macau
Beijing Landmark Trinity Real Estate Development Co Ltd	**30**	30	RMB	2,800,000,000	Property development	Mainland China
Beijing Premium Real Estate Ltd	**40**	40	USD	12,000,000	Property development	Mainland China

29 Principal Subsidiaries, Associates and Joint Ventures continued

	Attributable interests 2015 %	2014 %	Issued share capital		Main activities	Place of incorporation
Associates and joint ventures continued						
Chengdu Premium Property Development Co Ltd	**50**	50	USD	699,980,000	Property development	Mainland China
China West Premier Housing Development Co Ltd	**50**	50	USD	569,960,000	Property development	Mainland China
Chongqing Central Park Co Ltd	**50**	50	HKD	4,640,000,000	Property development	Mainland China
Longfor Hongkong Land (Chongqing) Development Co Ltd	**50**	–	USD	200,000,000	Property development	Mainland China
Longhu Land Ltd	**50**	50	USD	27,000,000	Property development	Mainland China
Shanghai Xujing Property Co Ltd	**50**	–	RMB	4,200,000,000	Property development	Mainland China
Ampang Investments Pte Ltd	**40**	40	SGD	10	Hotel investment	Singapore
BFC Development LLP	**33.3**	33.3	SGD	6	Property investment	Singapore
Central Boulevard Development Pte Ltd	**33.3**	33.3	SGD	6	Property investment	Singapore
One Raffles Quay Pte Ltd	**33.3**	33.3	SGD	6	Property investment	Singapore
Golden Quantum Acres Sdn Bhd	**50**	50	MYR	2,764,210	Property development	Malaysia
MSL Properties Sdn Bhd	**50**	50	MYR	3,000,000	Property development	Malaysia
Sunrise MCL Land Sdn Bhd	**50**	50	MYR	2,000,000	Property development	Malaysia
PT Brahmayasa Bahtera	**40**	40	IDR	166,000,000,000	Property investment	Indonesia
PT Bumi Parama Wisesa	**49**	49	IDR	1,950,000,000,000	Property investment	Indonesia
PT Jakarta Land	**50**	50	IDR	3,320,000,000	Property investment and development	Indonesia
NorthPine Land Inc	**40**	40	Peso	1,224,635,200	Property investment	The Philippines
Gaysorn Land Co Ltd	**49**	49	THB	61,250,000	Property investments and operations	Thailand
Nassim JV Co Ltd	**50**	–	VND	286,200,000,000	Property development	Vietnam
Jardine Gibbons Properties Ltd	**40**	40	BD	600,000 'A' 400,000 'B'	Property holding	Bermuda

Independent Auditors' Report

To the members of Hongkong Land Holdings Limited

Report on the Consolidated Financial Statements

Our opinion

In our opinion, Hongkong Land Holdings Limited's consolidated financial statements ('the financial statements'):

- present fairly, in all material respects, the financial position of the Group as at 31st December 2015 and its financial performance and its cash flows for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') and the Companies Act 1981 (Bermuda).

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Consolidated Balance Sheet as at 31st December 2015;
- the Consolidated Profit and Loss Account and the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law in Bermuda and IFRSs as issued by the International Accounting Standards Board (IASB).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Responsibilities for the Financial Statements and the Audit

Our responsibilities and those of the Directors

As explained more fully in the Responsibilities Statement on page 67, the Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the Companies Act 1981 (Bermuda).

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 this opinion, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP
Chartered Accountants
London
United Kingdom
3rd March 2016

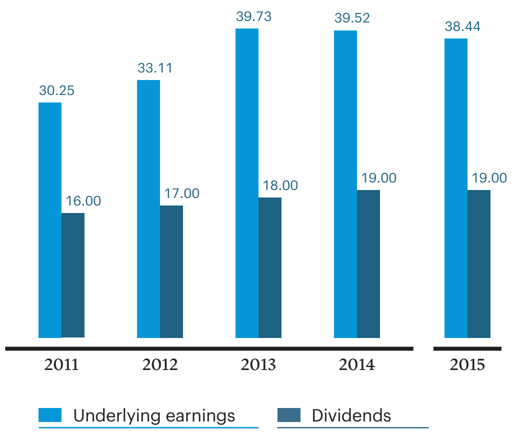
(a) The maintenance and integrity of the Hongkong Land Holdings Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

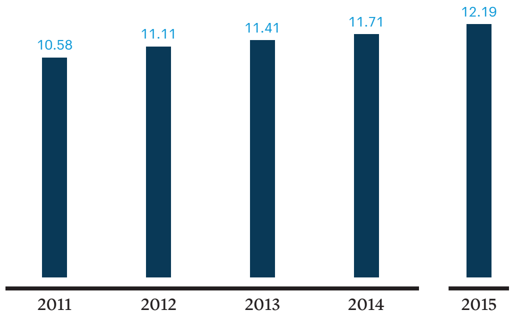
Five Year Summary

	2011 US$m	2012 US$m	2013 US$m	2014 US$m	**2015** **US$m**
Profit attributable to shareholders	5,306	1,438	1,190	1,327	**2,012**
Underlying profit attributable to shareholders	703	776	935	930	**905**
Investment properties	22,530	23,494	23,583	23,697	**24,957**
Net debt	2,359	3,273	3,025	2,657	**2,341**
Shareholders' funds	24,739	26,148	26,857	27,548	**28,685**

	US$	US$	US$	US$	**US$**
Net asset value per share	10.58	11.11	11.41	11.71	**12.19**



Underlying earnings/dividends per share (US¢)



Net asset value per share (US$)

Responsibility Statement

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

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

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

For and on behalf of the Board

Y.K. Pang
John R. Witt
Directors
3rd March 2016

Corporate Governance

Hongkong Land Holdings Limited is incorporated in Bermuda. The Company's property interests are almost entirely in Asia. The Company's equity shares have a standard listing on the Main Market of the London Stock Exchange, and secondary listings in Bermuda and Singapore. The Disclosure Rules and Transparency Rules (the 'DTRs') issued by the Financial Conduct Authority in the United Kingdom (the 'FCA') require that this Report address all relevant information about the corporate governance practices applied beyond the requirements under Bermuda law.

The Company attaches importance to the corporate stability and opportunities that result from it being part of the Jardine Matheson Holdings Limited ('Jardine Matheson') group, which is considered to be fundamental to the Company's ability to pursue a long-term strategy in Asian markets. By coordinating objectives, establishing common values and standards, and sharing experience, contacts and business relationships, the Jardine Matheson group companies aim to optimise their opportunities across the Asian countries where they operate.

The Group is committed to high standards of governance. The system of governance it has adopted is based on a well-tried approach to oversight and management that has been developed over many years by the members of the Jardine Matheson group. It enables the Company to benefit from Jardine Matheson's strategic guidance and professional expertise, while at the same time the independence of the Board is respected and clear operational accountability rests with the Company's executive management teams.

The Management of the Group

The Company has its dedicated executive management under the Chief Executive. The Memorandum of Association of the Company, however, provides for the chairman of Jardine Matheson to be, or to appoint, the Managing Director of the Company. Reflecting this, and the Jardine Matheson group's 50% interest in the Company's share capital, the Chief Executive and the Managing Director meet regularly. Similarly, the board of the Hong Kong-based Group management company, Hongkong Land Limited ('HKL'), and its finance committee are chaired by the Managing Director and include Group executives as well as Jardine Matheson's deputy managing director, group finance director, group strategy director and group general counsel.

The presence of Jardine Matheson representatives on the Board and on the board of HKL, as well as on its audit and finance committees, 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 eases the ability of management to work effectively together in exploiting the full range of the Jardine Matheson group's commercial strengths.

The Directors of the Company retain full power to manage the business affairs of the Company, other than matters reserved to be exercised by the Company in general meeting under Bermuda legislation or the Company's Bye-laws. Among the matters on which the Board decides are the Group's business strategy, its annual budget, dividends and major corporate activities.

The Board

The Company currently has a Board of 16 Directors. Their names and brief biographies appear on pages 18 and 19 of this Report. 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 Board composition and operation helps to provide the Company with the necessary stability as it seeks to grow its business.

The role of the Chairman is to lead the Board as it oversees the Group's strategic and financial direction, while the principal role of the Managing Director is to act as chairman of HKL and of its finance committee. Ben Keswick is currently appointed to both positions. The responsibility for running the Group's business and all the executive matters affecting the Group rests with the Chief Executive, Y.K. Pang. 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 HKL finance committee.

The Board is scheduled to hold four meetings in 2016 and ad hoc procedures are adopted to deal with urgent matters. In 2015 one meeting was held in Bermuda and three were held in Asia. The Board receives high quality, up to date information for each of its meetings. In addition, certain Directors of the Company who do not serve on the board of HKL and who are based outside Asia regularly visit Asia and Bermuda to discuss the Group's business, as well as to participate in the four strategic reviews that precede the regular Board meetings. These Directors are not directly involved in the operational management of the Group's business activities, but their knowledge and close oversight of the Group's affairs reinforces the process by which business is reviewed before consideration at Board meetings.

Directors' Appointment, Retirement, Remuneration and Service Contracts

Candidates for appointment as executive Directors of the Company, as executive directors of HKL or as senior executives elsewhere in the Group may be sourced internally, or from the Jardine Matheson group or externally, including by using the services of specialist executive search firms. The aim is to appoint individuals who combine international best practice with familiarity of or adaptability to Asian markets. When appointing non-executive Directors, the Board pays particular attention to the Asian business experience and relationships that they can bring.

Each new Director is appointed by the Board and, in accordance with the Company's Bye-laws, each new Director so appointed is subject to retirement at the first annual general meeting after appointment. Thereafter, Directors are subject to retirement by rotation under the Bye-laws whereby one-third of the Directors retire at the annual general meeting each year. These provisions apply to both executive and non-executive Directors, but the requirement to retire by rotation does not extend to the Chairman or Managing Director.

On 26th November 2015 it was announced that John R. Witt will step down as Chief Financial Officer on 31st March 2016 and that Simon Dixon will join the Board in his place, the appointment being effective on 28th April 2016.

In accordance with Bye-law 85, Lord Leach of Fairford, Dr Richard Lee, Lord Sassoon and Michael Wu retire by rotation at this year's Annual General Meeting and, being eligible, offer themselves for re-election. In accordance with Bye-law 92, Simon Dixon will also retire and, being eligible, offers himself for re-election. None of the Directors proposed for re-election has a service contract with the Company or its subsidiaries.

The Company's policy is to offer competitive remuneration packages to its senior executives. It is recognised that, due to the nature of the Group and its diverse geographic base, a number of its senior executives are required to be offered international terms and the nature of the remuneration packages is designed to reflect this. Executive Directors joining from outside the Group may be offered an initial fixed-term service contract to reflect any requirement for them to relocate.

Recommendations and decisions on remuneration and other benefits payable or made available to executive Directors result from consultations between the Chairman and other Directors as he considers appropriate. Directors' fees, which are payable to all Directors other than the Chief Executive and the Chief Financial Officer, are decided upon by shareholders in general meeting as provided for by the Company's Bye-laws.

For the year ended 31st December 2015, the Directors received from the Group US$7.6 million (2014: US$7.2 million) in Directors' fees and employee benefits, being US$0.8 million (2014: US$0.8 million) in Directors' fees, US$6.6 million (2014: US$6.2 million) in short-term employee benefits including salary, bonuses, accommodation and deemed benefits in kind and US$0.2 million (2014: US$0.2 million) in post-employment benefits. The information set out in this paragraph forms part of the audited financial statements.

The Company has in place shadow share option schemes under which cash bonuses are paid based on the performance of the Company's share price over a period. The shadow schemes were established to provide longer-term incentives for executive Directors and senior managers. Shadow share options are granted after consultation between the Chairman and the Chief Executive as well as other Directors as they consider appropriate.

The Company purchases insurance to cover its Directors against their costs in defending themselves in civil proceedings taken against them in that capacity and in respect of damages resulting from the unsuccessful defence of any proceedings. To the extent permitted by law, the Company also indemnifies its Directors. Neither the insurance nor the indemnity provides cover where the Director has acted fraudulently or dishonestly.

Audit Committee

The Board has established within HKL an audit committee (the 'Audit Committee'), the current members of which are Adam Keswick, Mark Greenberg, Jeremy Parr and James Riley; they have extensive knowledge of the Group while at the same time not being directly involved in operational management. The chairman, chief executive and chief financial officer of HKL, together with representatives of the internal and external auditors, also attend the Audit Committee meetings by invitation. The Audit Committee meets and reports to the Board semi-annually.

Prior to completion and announcement of the half-year and year-end results, a review of the financial information and of any issues raised in connection with the preparation of the results, including the adoption of new accounting policies, is undertaken by the Audit Committee with the executive management and a report is received from the external auditors. The external auditors also have access to the full Board, in addition to the Chief Executive, Chief Financial Officer and other senior executives.

The Audit Committee keeps under review the nature, scope and results of the audits conducted by the internal audit function. The Audit Committee's responsibilities extend to reviewing the effectiveness of both the internal and external audit functions; considering the independence and objectivity of the external auditors; and reviewing and approving the level and nature of non-audit work performed by the external auditors.

The terms of reference of the Audit Committee can be found on the Company's website at www.hkland.com.

Risk Management and Internal Control

The Board has overall responsibility for the Group's systems of risk management and internal control. The Board has delegated to the Audit Committee responsibility for reviewing areas of risk and uncertainty, the operation and effectiveness of the Group's systems of internal control and the procedures by which these are monitored. The Audit Committee considers the systems and procedures on a regular basis, and reports to the Board semi-annually. The systems of internal control are designed to manage, rather than eliminate, business risk; to help safeguard the Group's assets against fraud and other irregularities; and to give reasonable, but not absolute, assurance against material financial misstatement or loss.

Executive management is responsible for the implementation of the systems of internal control throughout the Group. The internal audit function also monitors the effectiveness of the systems of internal control and the approach taken by the business units to risk. The internal audit function is independent of the operating businesses and reports its findings, and recommendations for any corrective action required, to the Audit Committee.

The Group has in place an organisational structure with defined lines of responsibility and delegation of authority. There are established policies and procedures for financial planning and budgeting; for information and reporting systems; for assessment of risk; and for monitoring the Group's operations and performance. The information systems in place are designed to ensure that the financial information reported is reliable and up to date.

The Company's policy on commercial conduct underpins the Group's internal control process, particularly in the area of compliance. The policy is set out in the Group's Code of Conduct, which is a set of guidelines to which every employee must adhere, and is reinforced and monitored by an annual compliance certification process.

The Audit Committee has also been given the responsibility to oversee the effectiveness of the formal procedures for employees to raise any matters of serious concern, and is required to review any reports made under those procedures that are referred to it by the internal audit function.

The principal risks and uncertainties facing the Company are set out on page 74.

Directors' Responsibilities in respect of the Financial Statements

The Directors are required under the Bermuda Companies Act to prepare financial statements for each financial year and to present them annually to the Company's shareholders at the annual general meeting. 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.

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, which is modelled on the Jardine Matheson group's code of conduct. The Code of Conduct requires that all Group companies comply with all laws of general application, all rules and regulations that are industry specific and proper standards of business conduct. The Code of Conduct prohibits the giving or receiving of illicit payments, and requires all employees to be treated fairly, impartially and with respect. It also requires that all managers must be fully aware of their obligations under the Code of Conduct and establish procedures to ensure compliance at all levels within their organisations. The Group has in place procedures by which employees can raise, in confidence, matters of serious concern in areas such as financial reporting or compliance.

Directors' Share Interests

The Directors of the Company in office on 3rd March 2016 had interests (within the meaning of the DTRs) as set out below in the ordinary share capital of the Company. These interests include those notified to the Company in respect of the Directors' connected persons (as that term is used in the DTRs in relation to companies incorporated outside the United Kingdom).

Y.K. Pang	38,000
Charles Allen-Jones	60,000
Dr Richard Lee	3,678,685
Anthony Nightingale	2,184

Substantial Shareholders

As a non-UK issuer, the Company is subject to the DTRs pursuant to which a person must in certain circumstances notify the Company of the percentage of voting rights attaching to the share capital of the Company that he holds. The obligation to notify arises if that person acquires or disposes of shares in the Company which results in the percentage of voting rights which he 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 Holdings Limited ('Jardine Strategic'), which is directly interested in 1,176,616,646 ordinary shares carrying 50.01% 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 issued ordinary share capital of the Company as at 3rd March 2016.

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

Governance Principles

The Company's primary listing on the London Stock Exchange is a standard listing on the Main Market. Under a standard listing, the Company is subject to the UK Listing Rules (other than those which apply only to companies with a premium listing), the DTRs, the UK Prospectus Rules and the market abuse provisions of the UK Financial Services and Markets Act. The Company, therefore, is bound by the rules in relation to continuous disclosure, periodic financial reporting, disclosure of interests in shares and market abuse, including the rules governing insider dealing, market manipulation and the disclosure of price sensitive information. The Company is also 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 London Stock Exchange.

When 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 on the same basis as was then applicable to the Company's premium listing, as follows:

1. When assessing a significant transaction, being a larger transaction which would be classified as a class 1 transaction under the provisions of the UK Listing Rules, the Company will engage an independent financial adviser to provide a fairness opinion on the terms of the transaction.
2. In the event of a related party transaction, being a transaction with a related party which would require a sponsor to provide a fair and reasonable opinion under the provisions of the UK Listing Rules, the Company 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.
3. Further, as soon as the terms of a significant transaction or a related party transaction are agreed, an announcement will be issued by the Company providing such details of the transaction as are necessary for investors to evaluate the effect of the transaction on the Company.
4. At each annual general meeting, the Company will seek shareholder approval to issue new shares on a non-pre-emptive basis for up to 33% of the Company's issued share capital, of which up to 5% can be issued for cash consideration.
5. The Company will continue to adhere to its Securities Dealing Rules, which follow the UK Model Code as then applied to the Company.
6. The Company will continue its policies and practices in respect of risk management and internal controls.

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 page 59.

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 shall be treated as cancelled. When the Board reviews the possibility for share repurchases, it will take into consideration the potential for the enhancement of earnings or asset values per share. When purchasing such shares, the Company is subject to the UK market abuse regime.

Takeover Code

The Company is subject to a Takeover Code, based on London's City Code on Takeovers and Mergers. The Takeover Code provides an orderly framework within which takeovers can be conducted and the interests of shareholders protected. The Takeover Code has statutory backing, being established under the Acts of incorporation of the Company in Bermuda.

Annual General Meeting

The 2016 Annual General Meeting will be held at Rosewood Tucker's Point, Bermuda on 4th May 2016. The full text of the resolutions and explanatory notes in respect of the meeting are contained in the Notice of Meeting which accompanies this Report. A corporate website is maintained containing a wide range of information of interest to investors at www.hkland.com.

Power to Amend Bye-laws

The Bye-laws of the Company can be amended by the shareholders by way of a special resolution at a general meeting of the Company.

Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The process by which the Group identifies and manages risk is set out in more detail on page 70 of the Corporate Governance section of this Report. The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure Rules and Transparency Rules issued by the Financial Conduct Authority in the United Kingdom and are in addition to the matters referred to in the Chairman's Statement and Chief Executive's Review.

Economic Risk

The Group is exposed to the risk of negative developments in global and regional economies, and financial and property markets, either directly or through the impact on the Group's joint venture partners, bankers, suppliers or tenants. These developments can result in:

- recession, inflation, deflation and currency fluctuations;
- restrictions in the availability of credit, increases in financing and construction costs and business failures; and
- reductions in office and retail rents, office and retail occupancy and sales prices of, and demand for, residential developments.

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

Commercial Risk and Financial Risk

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

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

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

The steps taken by the Group to manage its exposure to financial risk are set out in the Financial Review on page 15 and Note 2 to the financial statements on pages 32 to 37.

Regulatory and Political Risk

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

Terrorism, Pandemic and Natural Disasters

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

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

Shareholder Information

Financial Calendar

2015 full-year results announced	3rd March 2016
Shares quoted ex-dividend on the Singapore Exchange	16th March 2016
Shares quoted ex-dividend on the London Stock Exchange	17th March 2016
Share registers closed	21st to 25th March 2016
Annual General Meeting to be held	4th May 2016
2015 final dividend payable	11th May 2016
2016 half-year results to be announced	28th July 2016*
Shares quoted ex-dividend on the Singapore Exchange	17th August 2016*
Shares quoted ex-dividend on the London Stock Exchange	18th August 2016*
Share registers to be closed	22nd to 26th August 2016*
2016 interim dividend payable	12th October 2016*

* Subject to change

Dividends

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 2015 final dividend by notifying the United Kingdom transfer agent in writing by 22nd April 2016. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 27th April 2016. Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends only in sterling. 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.

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
Capita Registrars (Jersey) Limited
12 Castle Street
St Helier, Jersey JE2 3RT
Channel Islands

Singapore Branch Registrar
M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

United Kingdom Transfer Agent
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham, Kent BR3 4TU
United Kingdom

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

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Cao, Ly Anh

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Stanley Ko

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James Zhang

Hongkong Land (Chongqing) Management Company Limited

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Cosimo Jencks

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, Singapore and Vietnam as at 31st December 2015, totalled US$24,944,900,000 (United States Dollars Twenty Four Billion Nine Hundred Forty Four Million and 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, 16th February 2016

Major Property Portfolio

at 31st December 2015

Commercial Investment Property

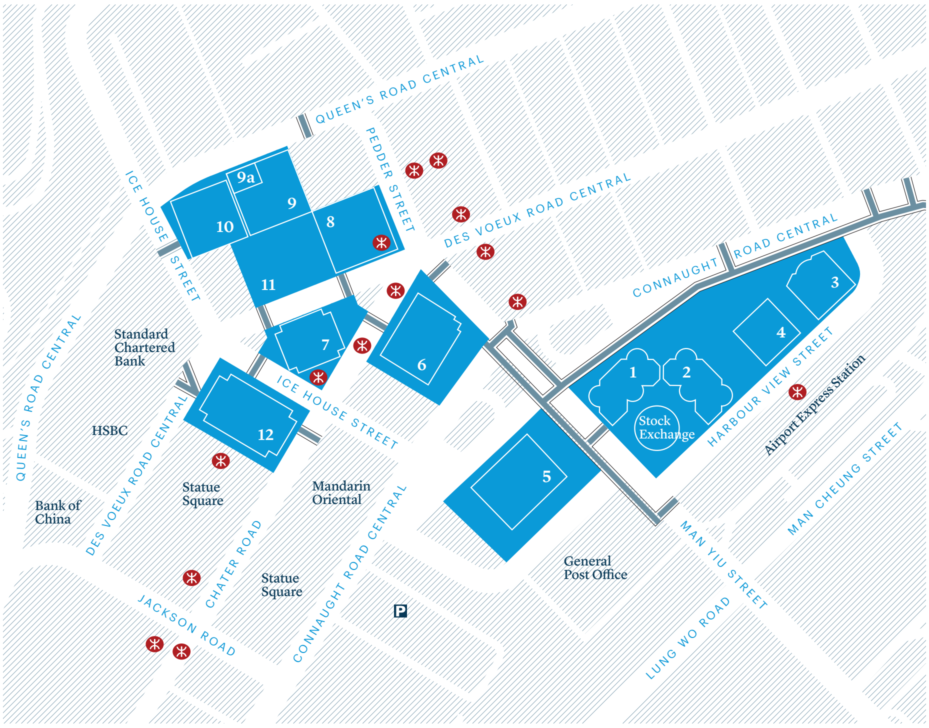
Completed development	Attributable interests %	Lettable area Total	Office	Retail
		(in thousands of square metres)		
Hong Kong				
Alexandra House	100	35	30	5
Chater House	100	43	39	4
Exchange Square	100	139		
One Exchange Square			53	–
Two Exchange Square			47	–
Three Exchange Square			30	–
Podium			–	5
The Forum			4	–
Jardine House	100	63	59	4
Gloucester Tower	100	44	44	–
Landmark Atrium	100	24	–	24
Edinburgh Tower	100	44	31	13
York House	100	10	10	–
Prince's Building	100	51	38	13
		453	385	68
Macau				
One Central	46.6	20	–	20
Singapore				
One Raffles Link	100	29	22	7
One Raffles Quay	33.3	124		
North Tower			71	–
South Tower			53	–
Marina Bay Financial Centre	33.3	286		
Tower 1			57	2
Tower 2			95	7
Tower 3			117	8
		439	415	24
Jakarta, Indonesia				
World Trade Centre 1	50	42	37	5
World Trade Centre 2	50	60	56	4
World Trade Centre 5	50	15	14	1
World Trade Centre 6	50	18	16	2
		135	123	12
Bangkok, Thailand				
Gaysorn	49	17	5	12
Hanoi, Vietnam				
Central Building	65	4	4	–
63 Ly Thai To	73.9	7	6	1
		11	10	1

Residential Development Property for Sale

Completed development	Attributable interests %	Location	Available units
Mainland China			
Maple Place	90	Beijing	39
Central Park	40	Beijing	72
Singapore			
Hallmark Residences	100	Ewe Boon Road	2

Under development	Attributable interests %	Location	Site area (in square metres)
Mainland China			
Bamboo Grove	50	Chongqing	164,249
Landmark Riverside	50	Chongqing	179,658
Yorkville South	100	Chongqing	216,969
Yorkville North	100	Chongqing	501,863
Central Avenue	50	Chongqing	402,306
New Bamboo Grove	50	Chongqing	348,370
WE City	50	Chengdu	131,286
Parkville	50	Shanghai	87,180
Singapore			
J Gateway	100	Boon Lay Way	11,588
LakeVille	100	Jurong West Street 41	22,357
Sol Acres	100	Choa Chu Kang Grove	32,909
Lake Grande	100	Jurong West Street 41	17,804
Indonesia			
Anandamaya Residences	40	Jakarta	16,299
Nava Park	49	Serpong, Greater Jakarta	674,335
The Philippines			
Two Roxas Triangle	40	Manila	11,812
Mandani Bay	50	Cebu	195,915
Pampanga Property	40	Pampanga	144,029
Greenwoods Village	40	Cavite	125,306
Kahaya Place	40	Cavite	61,291
Kohana Grove	40	Cavite	20,077
Vietnam			
The Nassim	50	Ho Chi Minh City	4,448

Hong Kong – Central District



Hongkong Land properties

Public car park

Pedestrian bridges

Mass Transit Railway access

1 One Exchange Square
2 Two Exchange Square
3 Three Exchange Square
4 The Forum

5 Jardine House
6 Chater House
7 Alexandra House

8 Gloucester Tower
9 Edinburgh Tower
9a The Landmark Mandarin Oriental

10 York House
11 Landmark Atrium
12 Prince's Building

Macau

One Central

Thailand

Gaysorn

Indonesia

WTC*

Anandamaya Residences*

Nava Park*

Cambodia

Central Mansions

EXCHANGE SQUARE*

Philippines

Roxas Triangle Towers*

Mandani Bay*

Vietnam

63 Ly Thai To

Central Building

The Nassim*

Beijing, China


WF CENTRAL*


CBD Site*


Central Park

Beijing, China


Maple Place

Chongqing, China


Bamboo Grove


Landmark Riverside

Chongqing, China


Yorkville South


Yorkville North


Central Avenue*

Chengdu, China


WE City*

Shanghai, China


Parkville*

Shenyang, China


One Capitol

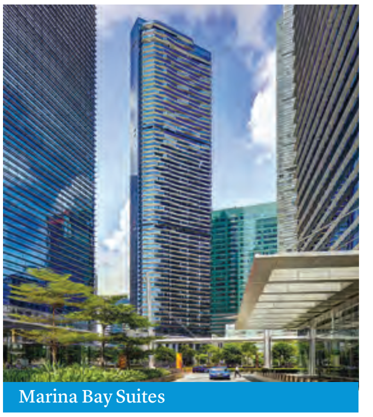
* This rendering is for reference only, subject to change and government approval.

Singapore


Marina Bay Financial Centre


One Raffles Quay


One Raffles Link


Marina Bay Suites


Palms @ Sixth Avenue


Ripple Bay


Hallmark Residences


J Gateway*


LakeVille*

* This rendering is for reference only, subject to change and government approval.

Hongkong Land Holdings Limited

Jardine House Hamilton Bermuda

www.hkland.com