

## INTERIM MANAGEMENT STATEMENT

### [HONG KONG LAND HOLDINGS LD](#)

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Hongkong Land Hldgs Ltd  
23 May 2024

#### **Announcement**

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

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

23rd May 2024 - Hongkong Land Holdings Limited today issues an Interim Management Statement for the first quarter of 2024.

The Group's underlying profit in the quarter was in line with the same period in 2023, with total contributions from the Investment and Development Properties businesses also broadly unchanged. For Investment Properties, better performance from the luxury retail portfolio across the region and Singapore office offset lower contributions from Hong Kong office.

In China, buyer sentiment toward the residential sector has continued to deteriorate, with reduced sales and pricing. The Group's attributable interest in contracted sales was US\$262 million in the first quarter, down 36% compared to the equivalent period in 2023. Contracted sales for the full year are now expected to be lower than 2023 levels, with profit margins impacted by reductions in sales prices across a number of projects.

As a result of these deteriorating market conditions, an extensive review of the Group's projects is being undertaken. Where projected sales prices are lower than development costs, the investment carrying value will be impaired. Although the review is ongoing, this is expected to result in a non-cash impairment charge of US\$200 million to US\$300 million which will be reflected in the first half results to 30th June 2024. Accordingly, underlying earnings in the period will be significantly lower than in the same period in 2023.

This review will have no material impact on the Group's financial position, which remains strong. At 31st March 2024, gearing was 16% and committed liquidity (cash and unused committed borrowing facilities) was US\$3.1 billion.

In Hong Kong, office leasing demand continued to be impacted by uncertainty in the global financial markets. The Group's Central office portfolio continued to outperform the broader market, despite an increase in vacancies across the city. Physical vacancy decreased to 7.1% from 7.4% at the end of 2023. On a committed basis, vacancy was 6.6%, compared to 6.8% at the end of 2023, whilst vacancy for the overall Central Grade A office market reached 10.6% at the end of March 2024. Rental reversions continued to be negative in the period. However, a number of tenants with leases expiring in 2024 have renewed and committed to new long-term leases. Accordingly, at 31st March 2024, only 7% of the portfolio remains subject to expirations in 2024.

The Group's LANDMARK retail portfolio in Hong Kong delivered an improved performance compared to the same period last year, with tenant sales in the period exceeding that of the first quarter of 2023. Base rent reversions were mildly positive, whilst vacancy at 31st March 2024 remained low at 1.8%.

At the Group's CENTRAL series luxury malls in Beijing and Macau, overall performance was stable, with better trading at WF CENTRAL at Beijing offset by slower results in Macau.

In Singapore, rental reversions continued to be positive, driven by tight supply and flight to quality demand. Physical vacancy was 2.0% at 31st March 2024, compared to 1.9% at the end of 2023. On a committed basis, vacancy remained low at 1.0%, compared with 0.9% at the end of 2023.

Hongkong Land is a major listed property investment, management and development group. The Group owns and manages more than 850,000 sq. m. of prime office and luxury retail assets in key Asian cities, principally Hong Kong, Singapore, Beijing and Jakarta. Its properties hold industry leading green building certifications and attract the world's foremost companies and luxury brands. The Group also has a number of high-quality residential, commercial, and mixed-use projects under development in cities across China and South East Asia, including a 43% interest in a 1.1 million sq. m. mixed-use project in West Bund, Shanghai. Its subsidiary, MCL Land, is a well-established residential developer in Singapore. Hongkong Land Holdings Limited is incorporated in Bermuda and has a primary listing in the standard segment of the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Group's assets and investments are managed from Hong Kong by Hongkong Land Limited. Hongkong Land is a member of the Jardine Matheson Group.

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For further information, please contact:

Hongkong Land Limited

Mark Lam

(852) 2842 8211

Gary Leung

(852) 2842 0601

Brunswick Group Limited

Kay Lau

(852) 6021 7009

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

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