2024 PRELIMINARY RESULTS

HONG KONG LAND HOLDINGS LD

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Announcement

7 March 2025

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
2024 PRELIMINARY ANNOUNCEMENT OF RESULTS

Highlights

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

"In 2024, we introduced a new strategy which will see the Group recycle capital out of the build-to-sell segment and focus on our core capabilities to develop ultra-premium integrated commercial properties in Asia's gateway cities to drive sustainable, long-term growth.

The Group's overall trading performance for the year was resilient, despite underlying profits being impacted by non-cash provisions from the Chinese mainland build-to-sell business. We expect a partial recovery in 2025 underlying profits amidst uncertain market conditions, although at levels well below that of 2023.

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

Michael Smith
Chief Executive

Results

	Year ended 31 December		
	2024	2023	Change
	US$m	US$m	%
Underlying profit attributable to shareholders*	**410**	734	-44
Underlying profit excl. Chinese mainland non-cash provisions#	**724**	824	-12
Loss attributable to shareholders	**(1,385)**	(582)	+138
Shareholders' funds	**29,940**	31,965	-6
Net debt	**5,088**	5,371	-5
	US¢	US¢	%
Underlying earnings per share*	**18.56**	33.15	-44
Underlying earnings per share excl. Chinese mainland non-cash provisions#	**32.81**	37.22	-12
Loss per share	**(62.76)**	(26.29)	+139
Dividends per share	**23.00**	22.00	+5
	US$	US$	%
Net asset value per share	**13.57**	14.49	-6

* The Group uses 'underlying profit attributable to shareholders' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in Note 30 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

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

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

HONGKONG LAND HOLDINGS LIMITED

PRELIMINARY ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Dear Shareholders,

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

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

A NEW STRATEGIC DIRECTION FOR HONGKONG LAND

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

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

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

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

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

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

STRENGTHENING OUR CORPORATE GOVERNANCE

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

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

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

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

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

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

EMBEDDING SUSTAINABILITY INTO EVERYTHING WE DO

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

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

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

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

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

FOCUSING ON THE TEN YEARS AHEAD

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

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

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

John Witt
Chairman

CHIEF EXECUTIVE'S REVIEW

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

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

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

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

INTRODUCING A NEW STRATEGY TO REALISE OUR AMBITION

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

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

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

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

STARTING A NEW CHAPTER FOR HONGKONG LAND

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

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

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

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

MAKING MAJOR INVESTMENTS IN OUR PORTFOLIO

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

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

AN OVERVIEW OF OUR OPERATIONS

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

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

Hong Kong

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

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

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

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

Singapore

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

Chinese Mainland & Macau

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

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

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

A REVIEW OF OUR BUILD-TO-SELL SEGMENT

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

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

Chinese Mainland

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

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

Singapore

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

2025 OUTLOOK

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

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

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

LOOKING FORWARD

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

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

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

Michael Smith
Chief Executive

Hongkong Land Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31 December 2024

		2024			2023	
	Underlying business performance US$m	**Non-trading items US$m**	**Total US$m**	Underlying business performance US$m	Non-trading items US$m	Total US$m
Revenue *(note 2)*	**2,002.1**	**-**	**2,002.1**	1,844.3	-	1,844.3
Net operating costs *(note 3)*	**(1,417.9)**	**(8.3)**	**(1,426.2)**	(1,050.0)	16.6	(1,033.4)
Change in fair value of investment properties *(note 7)*	**-**	**(1,887.6)**	**(1,887.6)**	-	(1,323.5)	(1,323.5)
Operating (loss)/profit *(note 4)*	**584.2**	**(1,895.9)**	**(1,311.7)**	794.3	(1,306.9)	(512.6)
Net financing charges						
- financing charges	**(245.0)**	**-**	**(245.0)**	(265.9)	-	(265.9)
- financing income	**78.8**	**-**	**78.8**	81.5	-	81.5

	(166.2)	**-**	**(166.2)**	(184.4)	-	(184.4)
Share of results of associates and joint ventures *(note 5)*						
- before change in fair value of investment properties	**115.0**	**-**	**115.0**	234.7	-	234.7
- change in fair value of investment properties	**-**	**139.2**	**139.2**	-	18.0	18.0
	115.0	**139.2**	**254.2**	234.7	18.0	252.7
(Loss)/profit before tax	**533.0**	**(1,756.7)**	**(1,223.7)**	844.6	(1,288.9)	(444.3)
Tax *(note 6)*	**(120.7)**	**(31.4)**	**(152.1)**	(107.2)	(25.6)	(132.8)
(Loss)/profit after tax	**412.3**	**(1,788.1)**	**(1,375.8)**	737.4	(1,314.5)	(577.1)
Attributable to:						
Shareholders of the Company	**409.6**	**(1,794.5)**	**(1,384.9)**	734.2	(1,316.5)	(582.3)
Non-controlling interests	**2.7**	**6.4**	**9.1**	3.2	2.0	5.2
	412.3	**(1,788.1)**	**(1,375.8)**	737.4	(1,314.5)	(577.1)
	US¢		**US¢**	US¢		US¢
(Loss)/earnings per share *(note 8)*						
- basic	**18.56**		**(62.76)**	33.15		(26.29)
- diluted	**18.55**		**(62.76)**	33.15		(26.29)

Hongkong Land Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31 December 2024

	2024 **US$m**	2023 US$m
Loss for the year	**(1,375.8)**	(577.1)
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		

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

Hongkong Land Holdings Limited
Consolidated Balance Sheet
at 31 December 2024

	2024	2023

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

Hongkong Land Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2024

	Share capital US$m	Capital reserves US$m	Revenue reserves US$m	Hedging reserves US$m	Exchange reserves US$m	Attributable to shareholders of the Company US$m	Attributable to non-controlling interests US$m	Total equity US$m
2024								
At 1 January	**220.7**	**-**	**32,299.5**	**(57.7)**	**(497.1)**	**31,965.4**	**21.9**	**31,987.3**
Total comprehensive expense	**-**	**-**	**(1,384.6)**	**(0.1)**	**(157.7)**	**(1,542.4)**	**6.5**	**(1,535.9)**
Dividends paid by the Company *(note 9)*	**-**	**-**	**(485.5)**	**-**	**-**	**(485.5)**	**-**	**(485.5)**
Share-based incentives	**-**	**1.4**	**-**	**-**	**-**	**1.4**	**-**	**1.4**
Unclaimed dividends forfeited	**-**	**-**	**1.2**	**-**	**-**	**1.2**	**-**	**1.2**
At 31 December	**220.7**	**1.4**	**30,430.6**	**(57.8)**	**(654.8)**	**29,940.1**	**28.4**	**29,968.5**
2023								
At 1 January	222.7	-	33,449.8	(3.0)	(366.1)	33,303.4	23.7	33,327.1
Total comprehensive expense	-	-	(581.7)	(54.7)	(131.0)	(767.4)	4.0	(763.4)
Dividends paid by the Company *(note 9)*	-	-	(488.7)	-	-	(488.7)	-	(488.7)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(0.6)	(0.6)
Unclaimed dividends forfeited	-	-	1.3	-	-	1.3	-	1.3
Repurchase of shares	(2.0)	-	(81.2)	-	-	(83.2)	-	(83.2)
Disposal of subsidiaries	-	-	-	-	-	-	(5.2)	(5.2)
At 31 December	220.7	-	32,299.5	(57.7)	(497.1)	31,965.4	21.9	31,987.3

Hongkong Land Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31 December 2024

	2024 US$m	2023 US$m
Operating activities		

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

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial information contained in this announcement has been based on the audited results for the year ended 31 December 2024 which have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards ('IAS') and Interpretations as issued by the International Accounting Standards Board ('IASB').

There are no amendments which are effective in 2024 and relevant to the Group's operations that have a significant impact on the Group's results, financial position and accounting policies.

The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

2. REVENUE

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

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

3. NET OPERATING COSTS

	2024 US$m	2023 US$m

Cost of sales	**(1,265.4)**	(913.6)
Other income	**70.0**	54.3
Administrative expenses	**(209.0)**	(221.6)
Gain on acquisition of subsidiaries	**-**	31.6
Net gain on disposal of subsidiaries and joint ventures	**9.6**	15.9
Loss on disposal of an investment property	**(10.3)**	-
Loss on measurement of the disposal group	**(13.5)**	-
Exchange reserve loss realised on distribution	**(7.6)**	-
	(1,426.2)	(1,033.4)

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

4. OPERATING (LOSS)/PROFIT

	2024 US$m	2023 US$m
By business		
Prime Properties Investment	**778.3**	833.7
Build-to-sell	**(102.6)**	54.3
Corporate	**(91.5)**	(93.7)
	584.2	794.3
Change in fair value of investment properties	**(1,887.6)**	(1,323.5)
Others	**(8.3)**	16.6
	(1,311.7)	(512.6)

5. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	2024 US$m	2023 US$m
By business		
Prime Properties Investment		
- operating profit	**152.1**	150.4
- net financing charges	**(51.2)**	(51.7)
- tax	**(16.6)**	(16.2)
- net profit	**84.3**	82.5
Build-to-sell		
- operating profit	**228.4**	218.2
- net financing charges	**(52.9)**	(32.4)

- tax	**(144.9)**	(33.6)
- non-controlling interest	**0.1**	-
- net profit	**30.7**	152.2
Underlying business performance	**115.0**	234.7
Change in fair value of investment properties (net of tax)	**139.2**	18.0
	254.2	252.7

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

6. TAX

	2024 US$m	2023 US$m
Tax charged to profit and loss is analysed as follows:		
Current tax	**(93.4)**	(155.1)
Deferred tax	**(58.7)**	22.3
	(152.1)	(132.8)

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

	2024 US$m	2023 US$m
Remeasurements of defined benefit plans	**-**	(0.1)
Cash flow hedges	**(1.5)**	9.1
	(1.5)	9.0

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

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

7. NON-TRADING ITEMS

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties; gains and losses arising from the sale of businesses and investment properties; impairment of non-depreciable intangible assets;

provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

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

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

8. EARNINGS PER SHARE

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

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

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

	2024			2023		
	US$m	**Basic earnings per share US¢**	**Diluted earnings per share US¢**	US$m	Basic earnings per share US¢	Diluted earnings per share US¢
Underlying profit attributable to shareholders	**409.6**	**18.56**	**18.55**	734.2	33.15	33.15
Non-trading items *(note 7)*	**(1,794.5)**			(1,316.5)		
Loss attributable to shareholders	**(1,384.9)**		**(62.76)**	(582.3)		(26.29)

	(62.76)		(26.29)

9. DIVIDENDS

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

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

10. INVESTMENT PROPERTIES

	2024 US$m	2023 US$m
At 1 January	**26,687.2**	28,054.1
Exchange differences	**113.2**	(69.7)
Additions	**77.1**	49.6
Disposal	**(12.7)**	-
Transfer to fixed assets	**(111.7)**	-
Transfer to right-of-use assets	**(94.2)**	-
Disposal of subsidiaries	**-**	(23.3)
Decrease in fair value	**(1,887.6)**	(1,323.5)
Classified as held for sale	**(11.4)**	-
At 31 December	**24,759.9**	26,687.2

11. ASSOCIATES AND JOINT VENTURES

	2024 US$m	2023 US$m
By Business		
Prime Properties Investment	**4,677.7**	4,610.0
Build-to-sell	**5,368.5**	5,975.2
	10,046.2	10,585.2

To align with market practice, amounts due to associates and joint ventures of US$1,301.0 million for 2023, previously reported net against Associates and Joint Ventures are now presented within Creditors. The previously reported balances of Current and Non-current creditors for 2023 increased by US$449.2 million and US$851.8 million respectively. The related cash flows in 2023, previously classified under investing activities as repayments from/advances to associates and joint ventures of US$165.0 million and US$56.5 million respectively, are now represented under financing activities.

12. BORROWINGS

	2024 US$m	2023 US$m
Current		
Bank overdrafts	**0.2**	1.2
Bank loans	**6.4**	74.2
Current portion of long-term borrowings		
- bank loans	**177.2**	306.5
- medium term notes	**639.9**	399.7
	823.7	781.6
Long-term		
Bank loans	**2,069.7**	1,909.7
Medium term notes		
- due 2025	**-**	641.3
- due 2026	**220.5**	225.3
- due 2027	**187.3**	186.0
- due 2028	**183.7**	182.3
- due 2029	**122.0**	121.1
- due 2030	**699.8**	698.6
- due 2031	**570.5**	569.5
- due 2032	**141.0**	139.9
- due 2033	**525.8**	524.7
- due 2034	**115.8**	77.0
- due 2035	**255.2**	253.3
- due 2038	**108.7**	111.9
- due 2039	**109.5**	112.8
- due 2040	**32.1**	31.9
	3,271.9	3,875.6
	5,341.6	5,785.3
	6,165.3	6,566.9

13. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments as at 31 December 2024 amounted to US$1,155.9 million *(2023: US$813.8 million)*.

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

14. RELATED PARTY TRANSACTIONS

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

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

Management fee
The management fee payable by the Group, under an agreement entered into in 1995, to Jardine Matheson Limited ('JML') in 2024 was US$2.1 million *(2023: US$3.7 million)*, being 0.5% per annum of the Group's underlying profit in consideration for management consultancy services provided by JML, a wholly-owned subsidiary of JMH.

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

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

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

Hotel management services
Jardine Matheson group members provided hotel management services to the Group in 2024 amounting to US$3.1 million *(2023: US$3.6 million)*.

Outstanding balances with associates and joint ventures
Amounts of outstanding balances with associates and joint ventures are included in associates and joint ventures, debtors and creditors as appropriate.

Hongkong Land Holdings Limited
Principal Risks and Uncertainties

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure Guidance 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, Chief Executive's Review and other parts of the Company's 2024 Annual Report (the 'Report').

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

Risk relating to Execution of Strategy

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

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

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

Mitigation Measures:

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

Economic Risk

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

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

Mitigation Measures:

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

Risks from Customers' Changing Requirements and Market Competition

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

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

Mitigation Measures:

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

Investment Management Risk

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

Mitigation Measures:

- Conduct sufficient research, due diligence and evaluation of investment opportunities

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

Financial Strength and Reporting

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

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

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

Mitigation Measures:

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

People and Culture Risk

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

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

Mitigation Measures:

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

Health and Safety Risk

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

Mitigation Measures:

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

Environmental and Climate Risk

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

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

Mitigation Measures:

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

Technology and Cybersecurity Risk

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

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

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

Mitigation Measures:

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

Legal, Regulatory and Compliance Risk

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

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

Mitigation Measures:

- Stay up to date on new and draft regulations in all jurisdictions in which the Group operates
- Engage external consultants and legal experts to assess the implications of prospective or new regulations, where necessary
- Implement a mandatory code of conduct that applies to all business functions and employees across the Group
- Maintain a robust Corporate Governance Framework which includes a whistleblowing channel
- Maintain an independent internal audit function that reports directly to the Group's Audit Committee on risk management, control environment and significant non-compliance matters

- Maintain a Crime insurance policy with adequate coverage
- Engage with government bodies, regulators and industry associations, including participating in consultations on proposed policy and regulatory changes
- Provide regular compliance training to employees to ensure that they understand the importance of compliance

Risks from Partnerships and Other Third-Party Relationships

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

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

Mitigation Measures:

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

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Hongkong Land Holdings Limited
Responsibility Statements

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

(a) the consolidated financial statements prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and

(b) the Chairman's Statement, Chief Executive's Review, Financial Review and the description of Principal Risks and Uncertainties facing the Group as set out in the Company's 2024 Annual Report, which constitute the management report required by the Disclosure Guidance and Transparency Rule 4.1.8, include a fair review of all information required to be disclosed under Rules 4.1.8 to 4.1.11 of the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Michael Smith
Craig Beattie

Directors

Dividend Information for Shareholders

The final dividend of US¢17.00 per share will be payable on 14 May 2025, subject to approval at the Annual General Meeting to be held on 2 May 2025, to shareholders on the registers of members at the close of business on 21 March 2025. The shares will be quoted ex-dividend on 20 March 2025, and the share registers will be closed from 24 to 28 March 2025, inclusive.

Shareholders will receive cash dividends in United States Dollars, except where elections are made for alternate currencies in the following circumstances:

Shareholders on the Jersey branch register

Shareholders registered on the Jersey branch register can elect for their dividends to be paid in Pounds Sterling. These shareholders may make new currency elections for the 2024 final dividend by notifying the United Kingdom transfer agent in writing by 25 April 2025. The Pounds Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to an exchange rate prevailing on 30 April 2025.

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

Shareholders on the Singapore branch register who hold their shares through The Central Depository (Pte) Limited ('CDP')

Shareholders who are **enrolled in** CDP's Direct Crediting Service ('DCS')
Those shareholders who are enrolled in CDP's DCS will receive their cash dividends in Singapore Dollars, unless they opt out of CDP Currency Conversion Service, through CDP, to receive United States Dollars.

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

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 21 March 2025, must submit the relevant documents to Boardroom Corporate & Advisory Services Pte. Ltd., the Singapore branch registrar, by no later than 5.00 p.m. (local time) on 20 March 2025.

About Hongkong Land Group

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

The Group focuses on developing, owning and managing ultra-premium mixed-use real estate in Asian gateway cities, featuring Grade A office, luxury retail, residential and hospitality products. Its mixed-use real estate footprint spans more than 850,000 sq. m., with flagship projects in Hong

Kong, Singapore and Shanghai. Its properties hold industry-leading green building certifications and attract the world's foremost companies and luxury brands.

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

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

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

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For further information, please contact:

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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31 December 2024 can be accessed via the Hongkong Land corporate website at 'www.hkland.com'.