Hongkong Land Holdings Limited

News Release

To: Business Editor

5th March 2020
For immediate release

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

HONGKONG LAND HOLDINGS LIMITED
2019 PRELIMINARY ANNOUNCEMENT OF RESULTS

Highlights

- Underlying profit up 4% to a record US$1,076 million
- Net asset value per share stable
- Large strategic mixed-use site secured in Shanghai
- Six other new projects acquired including five in the Chinese mainland

"The Group's results in 2020 will be impacted by the COVID-19 outbreak, with the performance of Development Properties in the Chinese mainland and the Group's retail properties expected to be most affected. The extent of the impact will be dependent on the duration and geographic extent of the outbreak. Stable contributions are expected from the Group's other businesses, although there are expected to be higher financing costs."

Ben Keswick
Chairman

Results

	Year ended 31st December		
	2019 US$m	2018 US$m	Change %
Underlying profit attributable to shareholders*	**1,076**	1,036	+4
Profit attributable to shareholders	**198**	2,457	–92
Shareholders' funds	**38,247**	38,342	-
Net debt	**3,591**	3,564	+1
	US¢	US¢	%
Underlying earnings per share*	**46.12**	44.24	+4
Earnings per share	**8.48**	104.92	–92
Dividends per share	**22.00**	22.00	-
	US$	US$	%
Net asset value per share	**16.39**	16.43	-

* 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 28 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.

The final dividend of US¢16 per share will be payable on 13th May 2020, subject to approval at the Annual General Meeting to be held on 6th May 2020, to shareholders on the register of members at the close of business on 20th March 2020.

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HONGKONG LAND HOLDINGS LIMITED

PRELIMINARY ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

OVERVIEW

Hongkong Land achieved a further year of record underlying profit in 2019. Profits from the Group's Investment Properties businesses remained stable despite the social unrest in Hong Kong, whilst a higher contribution from the Development Properties business in the Chinese mainland was partially offset by lower contributions from other markets. Good progress was made during the year in acquiring new sites and, since the year end, the Group acquired a strategic large mixed-use Investment Property site in a prime location in Shanghai. The performance of the Group's Development Properties business in the Chinese mainland and the impact of rent relief on the Group's retail properties, particularly in Hong Kong, will depend on the length and impact of the COVID-19 outbreak.

PERFORMANCE

Underlying profit attributable to shareholders rose 4% to US$1,076 million.

Including net losses of US$878 million resulting primarily from lower valuations of the Group's investment properties, the profit attributable to shareholders was US$198 million. This compares to US$2,457 million in 2018, which included net gains of US$1,421 million arising from revaluations.

The net asset value per share at 31st December 2019 was US$16.39, compared with US$16.43 at the end of 2018.

The Directors are recommending a final dividend of US¢16.00 per share, providing a total dividend for the year of US¢22.00 per share, unchanged from last year.

GROUP REVIEW

Investment Properties

In Hong Kong, office leasing activities in Central were slower in 2019 compared to the prior year as a result of uncertainties caused by the China-US trade negotiations and the social unrest in Hong Kong, although performance of the Group's Central office portfolio continues to be resilient. Vacancy at the end of 2019 was 2.9% on both a physical and committed basis. At the end of 2018, office vacancy was 1.4%. Rental reversions remained positive, with average office rents increasing from HK$113 per sq. ft in 2018 to HK$118 per sq. ft in 2019.

The Group's Central retail portfolio remains effectively fully occupied and delivered a respectable performance over the Christmas period following several challenging months for the retail market in the city. Despite positive base rental reversions, however, the average retail rent in 2019 decreased to HK$222 per sq. ft from HK$233 per sq. ft in 2018, due to temporary rent relief and a decline in turnover rent. The portfolio retains its reputation as Hong Kong's premier shopping destination.

The value of the Group's Hong Kong Investment Properties portfolio decreased by 2% compared to the prior year, due to lower open market rents.

In Singapore, vacancy in the Group's office portfolio was 5.0% at the end of 2019, compared with 2.5% at the end of 2018. On a committed basis, vacancy was 0.7%. Rental reversions were positive, with average rents increasing to S$9.7 per sq. ft in 2019 from S$9.2 per sq. ft in 2018.

In Beijing, WF CENTRAL is performing in line with expectations. Its hotel component, Mandarin Oriental Wangfujing, which opened in March 2019 is already positioned as one of the leading luxury hotels in the market.

Planning of the Group's 49%-owned prime mixed-use retail and Grade A office development in the central business district of Bangkok in Thailand continues on schedule. The development is expected to complete in 2025.

In February 2020, the Group acquired a prime, predominantly commercial site along the Huangpu River in the Xuhui District of Shanghai. The Project mainly comprises office and retail space, with a developable area of 1.1 million sq. m, and will be developed in multiple phases to 2027.

Development Properties

2019 was a solid year for the Group's Development Properties, building on a strong year in 2018, with a higher contribution from the Chinese mainland partially offset by lower contributions from other markets.

In the Chinese mainland, sentiment in the Group's core markets remained broadly stable. Higher sales completions led to an increase in profit contribution, whilst the Group's attributable interest in contracted sales at US$1,868 million was 18% higher than 2018 due to a change in sales location mix. At 31st December 2019, the Group had an attributable interest of US$1,860 million in sold but unrecognised contracted sales, compared with US$1,358 million at the end of 2018.

During the year, the Group acquired five new residential sites in the Chinese mainland - all in cities where it already has a presence - with a wholly-owned project in each of Chongqing and Hangzhou, and joint ventures in each of Chongqing, Shanghai and Wuhan. The Group's effective interest in these projects equates to a developable area of 547,000 sq. m.

In Singapore, recognised profits in 2019 were lower than the prior year, which benefited from the recognition of profits on completion of the 1,327-unit Sol Acres executive condominium development. Pre-sales at the 309-unit Margaret Ville and the 1,404 unit Parc Esta projects were within expectations, with construction of both projects scheduled to complete by 2021. The planning of the 638-unit Leedon Green project (previously known as "Tulip Garden") continues to progress well, with the project's sales launch having commenced in January 2020.

The Group's joint venture projects in the rest of Southeast Asia performed within expectations, including the completion of Two Roxas Triangle in the Philippines in 2019. During the year, the Group acquired a 49% interest in a prime residential site in Bangkok with a developable area of 64,000 sq. m.

Financing

The Group's financial position remains strong with net debt of US$3.6 billion at 31st December 2019, broadly unchanged from the end of 2018. Net gearing at the end of the year remained unchanged at 9%.

Net debt will increase in 2020 as payments are made for land purchases to which the Group has already committed. The newly acquired commercial site in Shanghai will be funded by internal resources and external funding with no recourse to shareholders.

PEOPLE

On behalf of the Board, I would like to thank all of our staff for their ongoing dedication and professionalism in providing high quality services and offerings to our tenants and customers, as well as for their commitment in driving the Group's success.

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Charles Allen-Jones stepped down as a Director on 8th May 2019 and Simon Keswick retired from the Board on 1st January 2020. On 20th January 2020, it was announced that Lord Sassoon will retire from the Board on 9th April 2020. We would like to record our gratitude to all of them for their significant contributions to the Group over many years.

As separately announced on 5th March 2020, with effect from 15th June 2020 the roles of Chairman and Managing Director, which are currently held on a combined basis by Ben Keswick, will be separated. Ben Keswick will remain as Chairman and John Witt will join the Board and take on the role of Managing Director of the Company.

OUTLOOK

The Group's results in 2020 will be impacted by the COVID-19 outbreak, with the performance of Development Properties in the Chinese mainland and the Group's retail properties expected to be most affected. The extent of the impact will be dependent on the duration and geographic extent of the outbreak. Stable contributions are expected from the Group's other businesses, although there are expected to be higher financing costs.

Ben Keswick
Chairman

CHIEF EXECUTIVE'S REVIEW

Hongkong Land achieved a further year of record underlying profit in 2019 with stable contributions from Investment Properties and higher contributions from Development Properties. The Group continues to invest for future growth whilst maintaining a strong balance sheet.

The Group's performance to date in 2020 has been affected by the COVID-19 outbreak, which has resulted in a temporary halt in development activities in the Chinese mainland and lower turnover at its retail properties, including the LANDMARK in Hong Kong. It remains too early to quantify the impact of COVID-19 and the current social unrest in Hong Kong, although the Group remains confident in the long-term outlook of the markets in which it operates.

STRATEGY

Hongkong Land is a landlord and a developer in Greater China and Southeast Asia. The Group operates a portfolio of prime investment properties which it develops and holds as long-term investments, as well as developing premium residential and commercial properties for sale.

The Group's Investment Properties are predominantly commercial in nature and located in core business districts of key Asian gateway cities, with a concentration in Hong Kong and Singapore. Returns principally arise from rental income and long-term capital appreciation. The Investment Properties segment is the largest contributor to the Group's earnings given its relative size and maturity. It accounted for 87% of the Group's gross assets at the end of 2019 (2018: 88%) and contributed 61% of the Group's underlying operating profit before corporate expenses in 2019 (2018: 64%).

The Group's Development Properties are primarily premium residential and mixed-use developments, located in the Chinese mainland and Singapore, with a growing presence in other Southeast Asian markets. Returns principally arise from trading profits in respect of the immediate sale of the residential and office components, and rental and trading profits for certain commercial elements of mixed-use sites that are disposed of, or reclassified to Investment Properties, after rents have stabilised. Development Properties accounted for 13% of the Group's gross assets at the end of 2019 (2018: 12%) and 39% of the Group's underlying operating profit before corporate expenses in 2019 (2018: 36%).

Geographically, Greater China generates the bulk of the Group's earnings. Hong Kong, which comprises predominantly Investment Properties, accounted for 51% of the Group's underlying operating profit before corporate expenses (2018: 54%), whilst the Chinese mainland, which comprises predominantly Development Properties, accounted for 32% (2018: 26%).

The Investment Properties portfolios in Hong Kong and Singapore provide a stable stream of recurring earnings and balance sheet strength that enables the Group to pursue new opportunities in both its Investment Properties and Development Properties businesses in its key markets. During 2019, the Group's share of capital allocated to new investments totalled US$1.2 billion (2018: US$2.3 billion). The pace of new investments up to the end of 2020 is expected to moderate compared to recent years, following the acquisition of a large predominantly commercial site in Shanghai in February 2020.

Hong Kong Investment Properties

In Hong Kong, the Group's Central Portfolio consists of 12 interconnected prime commercial buildings forming the heart of the financial district in Central, providing over 450,000 sq. m. of Grade A office and luxury retail space. This integrated mixed-use development is positioned as the pre-eminent office, luxury retail, restaurant and hotel accommodation in Hong Kong, and continues to attract both prime office tenants and luxury retailers in addition to housing the acclaimed Landmark Mandarin Oriental hotel.

Hong Kong's positioning as one of Asia's main financial and business hubs, combined with the scarcity of supply of high quality space in Central and the unique qualities of the Group's portfolio, together continue to support low vacancy and strong rents. Hong Kong continues to possess unique advantages as a financial centre that are not easily replicated.

The Group's 54,000 sq. m. retail portfolio is integrated with its office buildings to create part of the Group's distinctive and successful mixed-use business model. Its tenants include numerous global luxury brand flagship stores, as well as a number of leading restaurants. LANDMARK is firmly established as the iconic luxury shopping and fine dining destination in Hong Kong. Its success depends on the health of the broader Hong Kong economy as well as on Hong Kong remaining an attractive destination for affluent visitors from the Chinese mainland. The Group will work to ensure that, despite the challenging conditions, it will remain the clear market leader in Central in which global luxury brands will continue to be represented.

Other Investment Properties

Outside Hong Kong, the Group has similarly established itself as a leading provider of prime office and retail space.

In Singapore, Hongkong Land's attributable interests totalling 165,000 sq. m., principally concentrated in the Marina Bay Area, include some of the finest Grade A office space in the market. In the Chinese mainland, the Group's 49,000 sq. m. WF CENTRAL complex in Beijing is positioned as a premium retail and lifestyle destination, and includes a recently-opened Mandarin Oriental hotel that has quickly established itself as one of the most exclusive hotels in the city. In Indonesia, the Group has attributable interests of over 100,000 sq. m. of Grade A office space through its 50%-owned joint venture, Jakarta Land. In Cambodia, the Group's EXCHANGE SQUARE complex comprises 25,000 sq. m. of office and retail space in the heart of Phnom Penh.

Our performance in these markets depends on the levels of demand for, and supply of, prime office and luxury retail space, both of which are influenced by global and regional macro-economic conditions. The Group is committed to maintaining excellence in product quality and service to retain and attract tenants and customers, and will continue to seek new opportunities to develop prime investment properties in key Asian gateway cities.

Development Properties

The Group has established a strong and profitable Development Properties business focusing primarily on the premium residential market segment in the Chinese mainland and Southeast Asia. While the capital invested in this business is significantly lower than in Investment Properties, the earnings derived from Development Properties enhances the Group's overall profits and returns on capital. The Group's attributable interest in the developable area of its projects at the end of 2019 totalled 9.0 million sq. m., compared to 9.3 million sq. m. at the end of 2018. Of this, construction of approximately 37% had been completed at the end of 2019, compared to 36% at the end of 2018.

Annual returns from Development Properties fluctuate due to the nature of the projects and the Group's accounting policy of recognising profits on sold properties on completion in a number of markets including the Chinese mainland. Demand is also dependent on overall economic conditions, which can be significantly affected by government policies and the availability of credit. Ongoing land acquisitions are necessary to build and maintain a stable income stream over the longer term.

REVIEW OF INVESTMENT PROPERTIES

Profits from Investment Properties in 2019 were broadly unchanged from 2018, as positive base rental reversions in Hong Kong and Singapore were offset by temporary retail rent relief in Hong Kong.

Hong Kong

Demand in the Hong Kong office leasing market slowed during the year as a result of uncertainties caused by the ongoing China-US trade negotiations and the social unrest experienced in Hong Kong. At the end of 2019, vacancy at the Group's Central office portfolio was 2.9% on both a physical and committed basis. At the end of 2018, office vacancy was 1.4%. Vacancy for the overall Central Grade A market was 3.6% at the end of 2019, compared to 1.8% at the end of 2018. The Group's average office rent in 2019 was HK$118 per sq. ft, an increase from last year's average of HK$113 per sq. ft. Financial institutions, legal firms and accounting firms occupy 79% of the Group's total leased office space. The weighted average lease expiry of the office portfolio at the end of 2019 stood at 4.7 years (2018: 4.0 years), reflecting efforts made over recent years to extend the leases of major tenants.

The Group's retail portfolio in Hong Kong was negatively impacted in the second half of the year by weakened sentiment in the luxury retail market as a result of the social unrest, although it remained effectively fully occupied at 31st December 2019. Despite positive base rental reversions, the average retail rent in 2019 decreased to HK$222 per sq. ft from HK$233 per sq. ft in 2018 due to temporary rent relief provided to tenants and lower turnover rent. Excluding temporary rent relief this figure was HK$236 per sq. ft.

In October 2019, the Group successfully launched CENTRICITY, a suite of market leading digital and physical services exclusively available to the Group's tenants in Hong Kong. The core elements include a mobile app which provides tenants with access to promotions, events and concierge services, a flexible event space which can accommodate up to 200 guests, and a restaurant providing both on-the-go meals and formal dining service. In addition, the Group also launched a new 5,000 sq. ft. salon which provides its BESPOKE loyalty programme members with personalised experience and services.

The value of the Group's Investment Properties portfolio in Hong Kong at 31st December 2019, based on independent valuations, declined by 2% to US$31.5 billion, due to slightly lower open market rents, with no change in capitalisation rates.

Singapore

The Singapore office leasing market continued to improve in 2019. Overall vacancy across the entire Grade A central business district was 4.2% as at the end of 2019, compared to 7.2% at the end of 2018. The Group's office portfolio continued to perform well, reflecting its high quality and unique positioning. The Group's average office rent in 2019 was S$9.7 per sq. ft, an increase from S$9.2 per sq. ft in the previous year, due to positive rental reversions. Vacancy was higher at 5.0% at the year end, compared to 2.5% at the end of 2018, although this will decline as committed space is taken up in 2020: vacancy on a committed basis is 0.7%. Financial institutions, legal firms and accounting firms occupy 78% of the Group's total leased office space. The weighted average lease expiry of the office portfolio at 2019 year end stood at 4.4 years (2018: 3.9 years).

Chinese Mainland

In Beijing, the retail component of WF CENTRAL performed within expectations. The 73-room Mandarin Oriental Wangfujing opened in March 2019 and has received overwhelmingly positive reviews.

In February 2020, the Group acquired a large strategic predominantly commercial mixed-use site in a prime location in the Xuhui District of Shanghai, with a developable area of 1.1 million sq. m. Construction is expected to commence in 2020, with completion in multiple phases between 2023 to 2027.

Other Investment Properties

At One Central Macau, retail occupancy was 92%, unchanged from the prior year. Tenant sales declined by 9% due to softening sentiment in the luxury retail market. Rental reversions were negative during the year, with average rent declining from MOP213 per sq. ft in 2018 to MOP207 per sq. ft in 2019.

In Jakarta, the office portfolio remains resilient despite the continued surplus of city-wide office supply. Occupancy was 77% at the end of 2019, compared to 70% at the end of 2018, as efforts continue to lease the newest office tower, WTC3, which was 89% committed as at the end of 2019. The average gross rent was US$25.3 per sq. m. in 2019, compared to US$25.7 per sq. m. in the prior year.

In Phnom Penh, EXCHANGE SQUARE, the Group's 25,000 sq. m. prime mixed-use complex in the heart of the city's emerging financial district, continues to be taken up by tenants, and was 91% occupied at the end of 2019, compared to 85% at the end of 2018.

In Bangkok, planning of the Group's 49%-owned prime commercial joint-venture development in the central business district, secured in late 2017, continues in line with schedule. This development has a developable area of 440,000 sq. m. and is expected to complete in 2025.

Performances at the Group's other investment properties were within expectations.

REVIEW OF DEVELOPMENT PROPERTIES

Earnings from the Group's Development Properties segment were higher in 2019 compared to 2018, due to increased contributions from the Chinese mainland, which were partially offset by lower contributions from other markets.

Chinese Mainland

The Group's development properties in the Chinese mainland comprise 25 projects in seven cities, of which 11 projects are in Chongqing. As at 31st December 2019, the Group's net investment in development properties in the Chinese mainland was US$4.1 billion, compared to US$3.4 billion at the end of 2018.

During the year, the Group acquired two wholly-owned residential projects in Chongqing and Hangzhou. The Group also secured three joint venture residential projects, one in each of Chongqing, Shanghai and Wuhan. The Group already has a presence in all of these cities.

Market sentiment in the Group's key markets remained stable. The Group's share of total contracted sales in 2019 was US$1,868 million, 18% higher than the US$1,578 million achieved in the prior year. The Group's attributable interest in revenue recognised in 2019, including its share of revenue in joint ventures and associates, increased by 12% to US$1,348 million from US$1,207 million in 2018, due to the timing of completions.

At 31st December 2019, the Group's attributable interest in sold but not yet recognised contracted sales amounted to US$1,860 million, an increase of 37% from US$1,358 million at the end of 2018.

Chongqing, the largest city in western China, remains the most significant market for the Group, representing some 40% of its Chinese mainland Development Properties exposure. Including newly acquired projects during the year, the Group has five wholly-owned projects in Chongqing - Yorkville South, Yorkville North, River One (formerly "Bamboo Grove Riverside"), The Pinnacle, and a yet to be named project in the Central Park area which was acquired in September 2019 - and six 50%-owned joint ventures: New Bamboo Grove, Landmark Riverside, Central Avenue, Harbour Tale (formerly "Lijia Landscape"), Hillview, and a yet to be named project in the University Town area which was acquired in September 2019.

The newly acquired 100%-owned site in the Central Park area has a total developable area of 133,000 sq. m. and will be developed in one phase, whilst the newly acquired 50%-owned site located in University Town has a total developable area of 318,000 sq. m. and will be developed over two phases. Both projects are primarily residential and are expected to complete in 2022.

The Group's attributable interest in 2019 revenue from property sales in Chongqing, including its share of revenue in joint ventures and associates, increased by 6% to US$1,077 million, from US$1,015 million in 2018, due to the timing of completions. The Group's attributable interest in the developable area of its Chongqing projects at the end of 2019 totalled 4.1 million sq. m., compared to 4.5 million sq. m. at the end of 2018. Of this, construction of approximately 58% had been completed at the end of 2019, compared to 57% at the end of 2018.

In Hangzhou, the Group's newly acquired 100% primarily residential site in the Canal New City area of Gongshu District, with a developable area of 73,000 sq. m., will be developed in one phase with completion expected in 2022.

In Wuhan, the Group will develop a predominantly residential site located in the Houguan Lake area. The 66%-owned project has a developable area of 226,000 sq. m., and will be developed in one phase with completion expected in 2022.

In Shanghai, the Group will develop a primarily residential site located in the Huacao area of Minhang District. The 50%-owned project has a developable area of 64,000 sq. m. and will be developed in one phase with completion expected in 2022.

In the central business district of Beijing's Chaoyang District, the Group's 30%-owned Grade A office development of 127,000 sq. m. remains in the planning phase, with construction expected to commence in 2021.

Singapore

The Group completed one residential project during 2019, the wholly-owned 710-unit Lake Grande residential project, which was fully sold.

The wholly-owned 309-unit Margaret Ville residential project, with a developable area of 22,000 sq. m., was 81% pre-sold at the 2019 year-end, with completion scheduled in 2021. Construction of the wholly-owned 1,404-unit Parc Esta residential project, with a developable area of 98,000 sq. m., is on schedule and is expected to complete in 2021. As at the end of 2019, 59% of units had been pre-sold.

The sales launch of the 50%-owned 638-unit Leedon Green (formerly "Tulip Garden") residential project, with a developable area of 49,000 sq. m., commenced in January 2020. This joint venture project will be developed in one phase, with completion scheduled in 2022.

Other Development Properties

In Indonesia, construction of the Group's residential projects is progressing well. Nava Park, the Group's 49%-owned joint venture, is a 68 hectare site in the southwest of Jakarta. Upon completion in 2031, Nava Park will comprise a mix of landed houses, villas, mid-rise apartments and low-rise commercial components. Of the 889 units which have been launched for sale, 82% has been pre-sold as at the end of 2019.

Asya, a joint venture which includes Astra International, in which the Group has a 33.5% attributable interest, is a 68 hectare site located in the east of Jakarta. The project will yield a total developable area of approximately 874,000 sq. m., comprising landed houses, villas, apartments and low-rise commercial shophouses. It will be developed in multiple phases through to 2031. Of the 513 launched units, 44% has been pre-sold as at the end of 2019.

Arumaya, the Group's 40%-owned joint venture with Astra International, is a 262-unit luxury condominium project located in South Jakarta. The project has a developable area of 24,000 sq. m., and is expected to complete in 2022. All of the units have been launched as at the end of 2019, with 29% of the units reserved.

Avania (formerly "Gatot Subroto"), the 50%-owned mixed-use development with Astra International situated in central Jakarta, will consist of over 650 high-end apartments and a Grade A office tower. The project has a developable area of 126,000 sq. m. and will be developed in two phases through to 2025. The sales launch is expected to commence shortly.

In the Philippines, the 40%-owned Two Roxas Triangle is a 182-unit luxury condominium tower located in Manila's central Makati area. The development was completed in the first half of 2019 and has been fully sold.

Construction is progressing well at Mandani Bay, a 40%-owned 20-hectare development in Cebu comprising principally residential units with some office and retail components. The project will be developed in multiple phases through to 2035. Of the 4,067 residential units which have been launched, 80% were pre-sold at the end of 2019.

Bridgetowne, a 40%-owned joint venture project with Robinsons Land, is a two hectare site situated in the Bridgetowne Township in Pasig City, Manila. The 1,992-unit luxury condominium project has a developable area of 146,000 sq. m. and will be developed in three phases through to 2028.

In Vietnam, the Marq, a 70%-owned residential development in District 1 of Ho Chi Minh City, is a 515-unit luxury residential tower with a total developable area of approximately 57,000 sq. m. Construction is progressing on schedule, with completion expected in 2021. All the units have been launched and 45% have been sold as at the end of 2019. In October 2019, the Group's proposed investment in a residential development in District 2 of Ho Chi Minh City, Thu Thiem River Park, was terminated as certain conditions precedent were not fulfilled.

In Thailand, the Esse Sukhumvit 36, a 49%-owned 338-unit luxury condominium tower in the Sukhumvit area of Bangkok, is currently 62% pre-sold. Construction is scheduled to complete in 2020.

Nonthaburi, the Group's 49%-owned joint venture project, is a 1,217-unit luxury landed housing project located in Western Bangkok. The project has a total developable area of 433,000 sq. m., and is expected to be developed in four phases through to 2028.

King Kaew, a luxury residential project in which the Group has a 49% interest, is situated on King Kaew Road close to Suvarnabhumi International Airport. The project has a developable area of 169,000 sq. m. and will comprise 472 villas. It is expected to complete in 2029.

During the year, the Group secured a 49% interest in a luxury condominium site on Wireless Road in Bangkok's central business district. The project has a total developable area of 64,000 sq. m., and will consist of over 700 units. Development will be in one phase with completion expected in 2023.

THE YEAR AHEAD

The Group's Investment Properties portfolio will remain the largest contributor to the Group's earnings. The performance of the Group's office portfolio is expected to be resilient, while its retail portfolio will be impacted by rent relief to its tenants. In the Development Properties business, contributions from the Chinese mainland are expected to be lower due to delays in sales completions as a result of the COVID-19 outbreak, while contributions from Southeast Asia are expected to be broadly stable. Higher financing costs are anticipated in 2020 due to land acquisitions.

The Group will continue to deliver world class services and offerings to our office and retail tenants, and best-in-class housing to our residential customers, ensuring the highest standards are upheld. These values are critical to the long-term success of the Group.

Robert Wong
Chief Executive

Hongkong Land Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2019

	2019 Underlying business performance US$m	**2019 Non-trading items US$m**	**2019 Total US$m**	2018 Underlying business performance US$m	2018 Non-trading items US$m	2018 Total US$m
Revenue *(note 2)*	**2,319.7**	**-**	**2,319.7**	2,665.4	-	2,665.4
Net operating costs *(note 3)*	**(1,149.3)**	**34.4**	**(1,114.9)**	(1,576.1)	20.1	(1,556.0)
Change in fair value of investment properties *(note 7)*	**-**	**(854.2)**	**(854.2)**	-	1,222.4	1,222.4
Operating profit *(note 4)*	**1,170.4**	**(819.8)**	**350.6**	1,089.3	1,242.5	2,331.8
Net financing charges						
- financing charges	**(204.8)**	**-**	**(204.8)**	(170.7)	-	(170.7)
- financing income	**83.4**	**-**	**83.4**	56.4	-	56.4
	(121.4)	**-**	**(121.4)**	(114.3)	-	(114.3)
Share of results of associates and joint ventures *(note 5)*						
- before change in fair value of investment properties	**272.7**	**-**	**272.7**	265.1	-	265.1
- change in fair value of investment properties	**-**	**(32.6)**	**(32.6)**	-	188.6	188.6
	272.7	**(32.6)**	**240.1**	265.1	188.6	453.7
Profit before tax	**1,321.7**	**(852.4)**	**469.3**	1,240.1	1,431.1	2,671.2
Tax *(note 6)*	**(246.6)**	**(20.5)**	**(267.1)**	(206.3)	(7.8)	(214.1)
Profit after tax	**1,075.1**	**(872.9)**	**202.2**	1,033.8	1,423.3	2,457.1
Attributable to:						
Shareholders of the Company	**1,076.4**	**(878.4)**	**198.0**	1,036.1	1,421.0	2,457.1
Non-controlling interests	**(1.3)**	**5.5**	**4.2**	(2.3)	2.3	-
	1,075.1	**(872.9)**	**202.2**	1,033.8	1,423.3	2,457.1
	US¢		**US¢**	US¢		US¢
Earnings per share (basic and diluted) *(note 8)*	**46.12**		**8.48**	44.24		104.92

Hongkong Land Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2019

	2019 US$m	2018 US$m
Profit for the year	**202.2**	2,457.1
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	**2.2**	(2.6)
Tax on items that will not be reclassified	**(0.4)**	0.4
	1.8	(2.2)
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net gain/(loss) arising during the year	**166.3**	(197.7)
- transfer to profit and loss	**-**	0.3
	166.3	(197.4)
Cash flow hedges		
- net gain/(loss) arising during the year	**25.7**	(2.8)
- transfer to profit and loss	**(0.6)**	(2.6)
	25.1	(5.4)
Tax relating to items that may be reclassified	**(4.1)**	0.9
Share of other comprehensive income/(expense) of associates and joint ventures	**29.5**	(156.7)
	216.8	(358.6)
Other comprehensive income/(expense) for the year, net of tax	**218.6**	(360.8)
Total comprehensive income for the year	**420.8**	2,096.3
Attributable to:		
Shareholders of the Company	**418.0**	2,100.4
Non-controlling interests	**2.8**	(4.1)
	420.8	2,096.3

Hongkong Land Holdings Limited
Consolidated Balance Sheet
at 31st December 2019

	At 31st December **2019** **US$m**	2018 US$m
Net operating assets		
Fixed assets	**127.6**	133.7
Right-of-use assets	**12.4**	-
Investment properties *(note 10)*	**33,191.2**	33,712.1
Associates and joint ventures	**7,226.1**	6,694.7
Other investments	**-**	122.8
Non-current debtors	**48.1**	24.0
Deferred tax assets	**26.9**	13.9
Pension assets	**0.1**	-
Non-current assets	**40,632.4**	40,701.2
Properties for sale	**2,042.0**	1,983.0
Current debtors	**1,141.3**	892.2
Current tax assets	**19.5**	11.4
Bank balances	**1,424.0**	1,375.2
Current assets	**4,626.8**	4,261.8
Current creditors	**(1,460.8)**	(1,337.3)
Current borrowings *(note 11)*	**(715.3)**	(793.8)
Current tax liabilities	**(261.0)**	(119.4)
Current liabilities	**(2,437.1)**	(2,250.5)
Net current assets	**2,189.7**	2,011.3
Long-term borrowings *(note 11)*	**(4,299.9)**	(4,145.2)
Deferred tax liabilities	**(210.9)**	(167.4)
Pension liabilities	**(1.5)**	(3.3)
Non-current creditors	**(20.0)**	(27.1)
	38,289.8	38,369.5
Total equity		
Share capital	**233.4**	233.4
Share premium	**257.3**	257.3
Revenue and other reserves	**37,756.1**	37,850.8
Shareholders' funds	**38,246.8**	38,341.5
Non-controlling interests	**43.0**	28.0
	38,289.8	38,369.5

Hongkong Land Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2019

	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
2019								
At 1st January	**233.4**	**257.3**	**38,352.7**	**(8.8)**	**(493.1)**	**38,341.5**	**28.0**	**38,369.5**
Total comprehensive income	**-**	**-**	**199.8**	**17.1**	**201.1**	**418.0**	**2.8**	**420.8**
Dividends paid by the Company	**-**	**-**	**(513.4)**	**-**	**-**	**(513.4)**	**-**	**(513.4)**
Dividends paid to non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**(0.9)**	**(0.9)**
Unclaimed dividends forfeited	**-**	**-**	**0.7**	**-**	**-**	**0.7**	**-**	**0.7**
Acquisition of a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**13.1**	**13.1**
At 31st December	**233.4**	**257.3**	**38,039.8**	**8.3**	**(292.0)**	**38,246.8**	**43.0**	**38,289.8**
2018								
At 1st January	235.3	386.9	36,367.0	(7.7)	(139.7)	36,841.8	34.7	36,876.5
Total comprehensive income	-	-	2,454.9	(1.1)	(353.4)	2,100.4	(4.1)	2,096.3
Dividends paid by the Company	-	-	(469.8)	-	-	(469.8)	-	(469.8)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(2.6)	(2.6)
Unclaimed dividends forfeited	-	-	0.6	-	-	0.6	-	0.6
Share repurchase	(1.9)	(129.6)	-	-	-	(131.5)	-	(131.5)
At 31st December	233.4	257.3	38,352.7	(8.8)	(493.1)	38,341.5	28.0	38,369.5

Hongkong Land Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2019

	2019 US$m	2018 US$m
Operating activities		
Operating profit	**350.6**	2,331.8
Depreciation and amortisation	**13.6**	4.2
Change in fair value of investment properties	**854.2**	(1,222.4)
Gain on disposal/change in fair value of other investments	**(34.4)**	(20.1)
(Increase)/decrease in properties for sale	**(1.1)**	105.9
Increase in debtors	**(186.7)**	(250.0)
Increase/(decrease) in creditors	**26.7**	(185.2)
Interest received	**50.3**	44.8
Interest and other financing charges paid	**(195.2)**	(171.7)
Tax paid	**(115.5)**	(172.1)
Dividends from associates and joint ventures	**419.6**	139.2
Cash flows from operating activities	**1,182.1**	604.4
Investing activities		
Major renovations expenditure	**(116.4)**	(93.0)
Developments capital expenditure	**(27.3)**	(57.4)
Investments in and advances to associates and joint ventures	**(646.0)**	(978.4)
Acquisition of a subsidiary	**(25.8)**	-
Refund of deposit for a joint venture	**-**	72.9
Proceeds on disposal of other investments	**157.5**	-
Cash flows from investing activities	**(658.0)**	(1,055.9)
Financing activities		
Drawdown of borrowings	**1,334.5**	2,721.5
Repayment of borrowings	**(1,309.2)**	(1,883.9)
Principal elements of lease payments	**(5.1)**	-
Dividends paid by the Company	**(510.1)**	(466.6)
Dividends paid to non-controlling shareholders	**(0.9)**	(2.5)
Share repurchase	**-**	(131.5)
Cash flows from financing activities	**(490.8)**	237.0
Net cash outflow	**33.3**	(214.5)
Cash and cash equivalents at 1st January	**1,368.9**	1,616.6
Effect of exchange rate changes	**15.8**	(33.2)
Cash and cash equivalents at 31st December	**1,418.0**	1,368.9

Hongkong Land Holdings Limited
Notes

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 31st December 2019 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

The Group has adopted IFRS 16 'Leases' from 1st January 2019:

IFRS 16 'Leases'
The standard replaces IAS 17 'Leases' and related interpretations, and introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. The distinction between operating and finance leases is removed for lessee accounting, and is replaced by a model where a lease liability and a corresponding right-of-use asset have to be recognised on the balance sheet for almost all leases by the lessees. The Group's recognised right-of-use assets primarily relate to property leases, which are entered into for use as offices. There are also right-of-use assets relate to motor vehicles and equipment. Prior to 2019, payments made under operating leases were charged to profit and loss on a straight-line basis over the period of the lease. From 1st January 2019, each lease payment is allocated between settlement of the lease liability and finance cost. The finance cost is charged to profit and loss over the lease period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

In addition, leasehold land which represents payments to third parties to acquire interests in property, previously included in fixed assets, is now presented under right-of-use assets. Leasehold land is amortised over the useful life of the lease, which includes the renewal period if the lease is likely to be renewed by the Group without significant cost.

The accounting for lessors does not change significantly.

IFRS 16 affects primarily the accounting for the Group's operating leases. It does not have a significant effect on the Group's profit and financial position.

There are no other amendments or interpretations, which are effective in 2019 and relevant to the Group's operations, that have a significant effect on the Group's accounting policies.

The Group has elected to early adopt the 'Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7' (effective 1st January 2020) in relation to hedge accounting for the Group's annual reporting period commencing 1st January 2019. In accordance with the transition provisions, the amendments have been adopted retrospectively with respect to hedging relationships that existed at the start of the reporting period or were designated thereafter. The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships which are directly affected by the uncertainty arising from the reforms and replacement of the existing benchmark interest rates such as LIBOR and other inter-bank offered rates ('IBOR reform'). The forthcoming IBOR reforms may take effect at different times and may have a different impact on hedged items (the fixed and floating rate borrowings) and the hedging instruments (the interest rate swaps and cross currency swaps used to hedge the borrowings). The reliefs have the effect

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION *(continued)*

that IBOR reform should not generally cause hedge accounting to terminate. The reliefs under the amendments will end when the uncertainty arising from IBOR reform is no longer present; or the hedging relationship is discontinued.

The outstanding interest rate swaps and cross currency swaps of an aggregate notional principal and contract amount of US$1,631.2 million are impacted by the IBOR reform. 92% of these will mature after 2021. Early adoption of these amendments has no impact on the Group's consolidated financial statements for 2019.

Apart from the above, the Group has not early adopted any standard, interpretation or amendments that has been issued but not yet effective.

2. REVENUE

	2019 US$m	2018 US$m
Rental income	**998.8**	982.7
Service income	**152.6**	149.6
Sales of properties		
- recognised at a point in time	**652.6**	1,318.6
- recognised over time	**515.7**	214.5
	1,168.3	1,533.1
	2,319.7	2,665.4

Total variable rents included in rental income amounted to US$16.2 million *(2018: US$15.5 million)*.

3. NET OPERATING COSTS

	2019 US$m	2018 US$m
Cost of sales	**(989.6)**	(1,429.4)
Other income	**25.9**	27.6
Administrative expenses	**(185.6)**	(174.3)
Gain on disposal/change in fair value of other investments	**34.4**	20.1
	(1,114.9)	(1,556.0)

4. OPERATING PROFIT

	2019 US$m	2018 US$m
By business		
Investment Properties	**918.6**	902.9
Development Properties	**334.8**	257.9
Corporate	**(83.0)**	(71.5)
	1,170.4	1,089.3
Change in fair value of investment properties	**(854.2)**	1,222.4
Gain on disposal/change in fair value of other investments	**34.4**	20.1
	350.6	2,331.8

5. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	2019 US$m	2018 US$m
By business		
Investment Properties		
- operating profit	**145.0**	141.0
- net financing charges	**(49.4)**	(45.5)
- tax	**(17.3)**	(17.7)
- net profit	**78.3**	77.8
Development Properties		
- operating profit	**340.5**	323.9
- net financing income	**(17.2)**	8.2
- tax	**(106.3)**	(127.8)
- non-controlling interests	**(22.6)**	(17.0)
- net profit	**194.4**	187.3
Underlying business performance	**272.7**	265.1
Change in fair value of investment properties (net of tax)	**(32.6)**	188.6
	240.1	453.7

Results are shown after tax and non-controlling interests in the associates and joint ventures.

6. TAX

	2019 US$m	2018 US$m
Tax charged to profit and loss is analysed as follows:		
Current tax	**(247.8)**	(177.0)
Deferred tax	**(19.3)**	(37.1)
	(267.1)	(214.1)

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

	2019 US$m	2018 US$m
Remeasurements of defined benefit plans	**(0.4)**	0.4
Cash flow hedges	**(4.1)**	0.9
	(4.5)	1.3

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$136.2 million *(2018: US$214.0 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 and equity investments which are measured at fair value through profit and loss; gains and losses arising from the sale of businesses, investments and investment properties; impairment of non-depreciable intangible assets and other investments; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

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

	2019 US$m	2018 US$m
Change in fair value of investment properties	**(854.2)**	1,222.4
Tax on change in fair value of investment properties	**(20.5)**	(7.8)
Gain on disposal/change in fair value of other investments	**34.4**	20.1
Share of change in fair value of investment properties of associates and joint ventures (net of tax)	**(32.6)**	188.6
Non-controlling interests	**(5.5)**	(2.3)
	(878.4)	1,421.0

8. EARNINGS PER SHARE

Earnings per share are calculated on profit attributable to shareholders of US$198.0 million *(2018: US$2,457.1 million)* and on the weighted average number of 2,333.9 million *(2018: 2,341.8 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:

	2019		2018	
	US$m	**Earnings per share US¢**	US$m	Earnings per share US¢
Underlying profit attributable to shareholders	**1,076.4**	**46.12**	1,036.1	44.24
Non-trading items *(note 7)*	**(878.4)**		1,421.0	
Profit attributable to shareholders	**198.0**	**8.48**	2,457.1	104.92

9. DIVIDENDS

	2019 US$m	2018 US$m
Final dividend in respect of 2018 of US¢16.00 *(2017: US¢14.00) per share*	**373.4**	329.4
Interim dividend in respect of 2019 of US¢6.00 *(2018: US¢6.00) per share*	**140.0**	140.4
	513.4	469.8

A final dividend in respect of 2019 of US¢16.00 *(2018: US¢16.00)* per share amounting to a total of US$373.4 million *(2018: US$373.4 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2020 Annual General Meeting. The amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2020.

10. INVESTMENT PROPERTIES

	2019 US$m	2018 US$m
At 1st January	**33,712.1**	32,481.0
Exchange differences	**190.6**	(109.3)
Additions	**142.7**	118.0
(Decrease)/increase in fair value	**(854.2)**	1,222.4
At 31st December	**33,191.2**	33,712.1

11. BORROWINGS

	2019 US$m	2018 US$m
Current		
Bank overdrafts	**6.0**	6.3
Bank loans	**383.8**	154.8
Current portion of long-term borrowings		
- bank loans	**21.4**	530.6
- notes	**304.1**	102.1
	715.3	793.8
Long-term		
Bank loans	**1,281.5**	1,106.4
Notes		
- due 2020	**-**	302.1
- due 2021	**65.5**	65.3
- due 2022	**614.7**	604.7
- due 2023	**179.2**	178.0
- due 2024	**406.7**	399.6
- due 2025	**647.5**	648.7
- due 2026	**38.6**	38.3
- due 2027	**186.0**	184.7
- due 2028	**182.6**	181.4
- due 2029	**121.3**	50.5
- due 2030	**102.8**	102.2
- due 2031	**25.4**	25.2
- due 2032	**30.3**	30.1
- due 2033	**89.2**	88.6
- due 2034	**77.2**	-
- due 2038	**109.2**	107.6
- due 2039	**110.2**	-
- due 2040	**32.0**	31.8
	3,018.4	3,038.8
	4,299.9	4,145.2
	5,015.2	4,939.0

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 31st December 2019 amounted to US$1,144.7 million *(2018: US$1,394.5 million)*.

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.

13. 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 2019 was US$5.4 million *(2018: US$5.2 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 2019 amounted to US$24.1 million *(2018: US$24.9 million)*.

The Group provided project management services and property management services to Jardine Matheson group members in 2019 amounting to US$3.0 million *(2018: Nil)*.

Jardine Matheson group members provided property maintenance and other services to the Group in 2019 in aggregate amounting to US$61.4 million *(2018: US$55.8 million)*.

Hotel management services
Jardine Matheson group members provided hotel management services to the Group in 2019 amounting to US$2.1 million *(2018: US$3.6 million)*.

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

14. POST BALANCE SHEET EVENT

On 20th February 2020, the Group secured a prime, predominantly commercial site along the Huangpu River South Extension area in the Xuhui District of Shanghai from the government via auction for a consideration of RMB31.1 billion (equivalent to approximately US$4.4 billion). The project mainly comprises office and retail space with a developable area of 1.1 million sq. m., and will be developed in multiple phases to 2027.

The Group is considering a range of funding options without recourse to shareholders, including internal resources and external funding (including, but not limited to, pre-sales, cooperation with strategic partners, and debt, subject to any applicable regulatory approvals). The Group has sufficient liquidity to fund the land cost and does not intend to seek funding from shareholders.

Hongkong Land Holdings Limited
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 will be set out in more detail in the Corporate Governance section of the Company's 2019 Annual Report (the 'Report'). 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 Report.

Economic Risk and Financial 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 such developments might have on the Group's joint venture partners, associates, bankers, suppliers or tenants. These developments could include 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 and mixed-use developments.

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

The steps taken by the Group to manage its exposure to financial risk will be set out in the Financial Review and in a note to the Financial Statements in the Report.

Commercial Risk

Risks are an integral part of normal commercial activities, and where practicable steps are taken to mitigate them. Risks can be more pronounced when businesses are operating in volatile markets.

The Group makes significant investment decisions in respect of commercial and residential development projects and these are subject to market risks. This is especially the case where projects are longer-term in nature and take more time to deliver returns.

The Group operates in regions which are highly competitive, and failure to compete effectively, whether in terms of price, tender terms, product specification or levels of service can have an adverse effect on earnings or market share, as can construction risks in relation to new developments. Significant competitive pressure may also lead to reduced margins.

It is essential for the products and services provided by the Group's businesses to meet appropriate quality and safety standards and there is an associated risk if they do not, including the risk of damage to brand equity or reputation, which might adversely impact the ability to achieve acceptable revenues and profit margins.

The potential impact of disruption to IT systems or infrastructure, whether as a result of cyber-crime or other factors, could be significant.

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Regulatory and Political Risk

The Group is subject to a number of regulatory regimes in the territories in which it operates. Changes in such regimes, in relation to matters such as foreign ownership of assets and businesses, exchange controls, planning controls, tax rules, climate-related regulation and employment legislation, could have the potential to impact the operations and profitability of the Group.

Changes in the political environment, including political or social unrest, in the territories where the Group operates could adversely affect the Group.

Pandemic, Natural Disasters, Climate Change and Terrorism

The Group could be impacted by a global or regional pandemic which seriously affects economic activity or the ability of businesses to operate smoothly. In addition, many of the territories in which the Group operates can experience from time to time natural disasters such as earthquakes and typhoons.

Ongoing changes to the physical climate in which the Group operates may have an impact on our businesses. Rising sea levels could, in the future, affect the value of any coastal assets that the Group owns or develops.

The Group's operations are vulnerable to the effects of terrorism, either directly through the impact of an act of terrorism or indirectly through the effect on the Group's businesses of generally reduced economic activity in response to the threat of, or an actual act of, terrorism.

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 the Company's 2019 Annual Report, including the Chairman's Statement, Chief Executive's Review and the Principal Risks and Uncertainties, which constitute the management report, include a fair review of all information required to be disclosed by the Disclosure Guidance 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

Robert Wong
Simon Dixon

Directors

The final dividend of US¢16.00 per share will be payable on 13th May 2020, subject to approval at the Annual General Meeting to be held on 6th May 2020, to shareholders on the register of members at the close of business on 20th March 2020. The shares will be quoted ex-dividend on 19th March 2020, and the share registers will be closed from 23rd to 27th March 2020, inclusive.

Shareholders will receive their cash dividends in United States Dollars, unless they are registered on the Jersey branch register, in which case they will have the option to elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2019 final dividend by notifying the United Kingdom transfer agent in writing by 24th April 2020. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 29th April 2020.

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

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 20th March 2020, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, by no later than 5.00 p.m. (local time) on 19th March 2020.

Hongkong Land Group

Hongkong Land is a major listed 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 more than 850,000 sq. m. of prime office and luxury retail property in key Asian cities, principally in Hong Kong, Singapore, Beijing and Jakarta. Its properties attract the world's foremost companies and luxury brands.

The Group's Central Hong Kong 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, a luxury retail centre at Wangfujing in Beijing, and a 50% interest in a leading office complex in Central Jakarta. The Group also has a number of high quality residential, commercial and mixed-use projects under development in cities across Greater China and Southeast Asia. In Singapore, its subsidiary, MCL Land, is a well-established residential developer.

Hongkong Land Holdings Limited is incorporated in Bermuda and has a standard listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Group's assets and investments are managed from Hong Kong by Hongkong Land Limited. Hongkong Land is a member of the Jardine Matheson Group.

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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2019 can be accessed through the Internet at 'www.hkland.com'.