Hongkong Land Holdings Limited

News Release

To: Business Editor

8th March 2018
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
2017 PRELIMINARY ANNOUNCEMENT OF RESULTS

Highlights

- Underlying profit up 14% to a record US$970 million
- Full-year dividend up 5%
- Net asset value per share up 18%
- WF CENTRAL retail complex opens in Beijing
- Ten new projects secured

"The strong contribution from the Group's investment properties to underlying profit is expected to be maintained in 2018, while further improvements are anticipated from the Group's development properties in mainland China and Singapore."

Ben Keswick
Chairman

Results

	Year ended 31st December		
	2017 US$m	2016 US$m	Change %
Underlying profit attributable to shareholders*	**970**	848	+14
Profit attributable to shareholders	**5,585**	3,346	+67
Shareholders' funds	**36,774**	31,294	+18
Net debt	**2,549**	2,008	+27
	US¢	US¢	%
Underlying earnings per share*	**41.21**	36.03	+14
Earnings per share	**237.39**	142.23	+67
Dividends per share	**20.00**	19.00	+5
	US$	US$	%
Net asset value per share	**15.63**	13.30	+18

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

The final dividend of US¢14.00 per share will be payable on 16th May 2018, subject to approval at the Annual General Meeting to be held on 9th May 2018, to shareholders on the register of members at the close of business on 23rd March 2018.

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HONGKONG LAND HOLDINGS LIMITED

PRELIMINARY ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST DECEMBER 2017

OVERVIEW

The Group's investment properties produced higher results due to increased rents in Hong Kong and continuing low vacancies across both Hong Kong and Singapore. The contribution from development properties also rose with increased sales completions in mainland China, partially offset by a lower contribution in Singapore. Good progress was made in acquiring new sites during the year.

PERFORMANCE

Underlying profit attributable to shareholders rose 14% to US$970 million.

Including the net gains of US$4,615 million resulting from higher valuations of the Group's investment properties, the profit attributable to shareholders was US$5,585 million. This compares to US$3,346 million in 2016, which included net gains of US$2,498 million arising from revaluations.

The net asset value per share at 31st December 2017 was US$15.63, compared with US$13.30 at the end of 2016.

The Directors are recommending a final dividend of US¢14.00 per share, providing a total dividend for the year of US¢20.00 per share, compared with US¢19.00 per share for 2016.

GROUP REVIEW

Investment Properties

In Hong Kong, vacancy across the office leasing market in Central remained low due to tight supply. Vacancy in the Group's Central office portfolio was 1.4% at the end of 2017, compared with 2.2% at the end of 2016. Positive rental reversions continued, with average office rents increasing to HK$108 per sq. ft from HK$103 per sq. ft in 2016. The Group's Central retail portfolio was effectively fully let with neutral reversions during 2017. The average rent of HK$224 per sq. ft was 3% higher than the prior year due to the full-year effect of positive reversions in 2016. The value of the Group's investment property portfolio in Hong Kong increased by 17%, primarily due to the impact of lower capitalisation rates used by the independent valuers.

In Singapore, vacancy in the Group's office portfolio was 0.3%, compared to 0.1% at the end of 2016. Rental reversions were negative with the average rent declining to S$9.1 per sq. ft from S$9.3 per sq. ft in 2016. Completion of the previously announced agreement to jointly develop a site within the Marina Bay Financial District remains subject to the fulfilment of certain conditions precedent.

In mainland China, the retail component of the Group's luxury retail and hotel complex in Beijing, WF CENTRAL, was opened in late 2017. The hotel component, comprising a 74-room Mandarin Oriental hotel, is scheduled to open in the second half of 2018. In Jakarta, the development of the fifth tower of World Trade Centre was completed in early 2018. EXCHANGE SQUARE, a 25,000 sq. m. mixed-use complex in Phnom Penh, was opened at the beginning of 2017.

In January 2018, the Group, in a 49%-owned joint venture, completed the purchase of a major freehold site in a prime location in the central business district of Bangkok in Thailand with a developable area of 440,000 sq. m.

Development Properties

In mainland China, higher completions of primarily residential units led to a significant increase in profit contribution, while the Group's attributable interest in contracted sales during the year was only marginally higher at US$1,112 million than in 2016 due to fewer sales launches in the second half. At 31st December 2017, the Group had US$1,032 million in sold but unrecognised contracted sales, compared with US$1,083 million at the end of 2016.

During the year, the Group entered into three new markets in mainland China with projects in Wuhan, Nanjing and Hangzhou, and acquired two new sites in Chongqing. The Group's effective interest in these primarily residential projects equates to a developable area of 768,000 sq. m.

In January 2018, the Group secured a commercial site in Xinjiekou, Nanjing, a mature business and retail district in the heart of the city. The project has a developable area of 235,000 sq. m.

In Singapore, results were lower with only one project completion during the year. Pre-sales continued at the Sol Acres project, which is scheduled to complete in 2018, and at Lake Grande which is due for completion in 2019. In May 2017, the Group secured a large residential site in eastern Singapore with a developable area of 98,000 sq. m.

The Group's joint venture projects in the rest of Southeast Asia are progressing on schedule. During the year, the Group entered into agreements to develop new residential projects in Bangkok and Ho Chi Minh City, increased its interest in an existing joint venture in Jakarta, and acquired its partner's share in a retail mall and some mixed-use sites in Kuala Lumpur.

Financing

The Group's financial position remains strong with net debt of US$2.5 billion at 31st December 2017, up from US$2.0 billion at the end of 2016. Net gearing at the end of the year was 7%, compared with 6% at the end of 2016. Net debt is expected to move modestly higher as payments for committed land purchases are funded during 2018.

PEOPLE

On behalf of the Board, I would like to extend my gratitude to all of our staff for their dedication in upholding our reputation of providing high quality offerings to our tenants and customers, and for their commitment to our future growth and success.

Dr Richard Lee will step down from the Board at the forthcoming Annual General Meeting and will not seek re-election. We would like to thank him for his contribution to the Company. We are very pleased that Christina Ong, Co-Chairman and Senior Partner of Singapore law firm Allen & Gledhill LLP, has been invited to join the Board with effect from 9th May 2018.

OUTLOOK

The strong contribution from the Group's investment properties to underlying profit is expected to be maintained in 2018, while further improvements are anticipated from the Group's development properties in mainland China and Singapore.

Ben Keswick
Chairman

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CHIEF EXECUTIVE'S REVIEW

Hongkong Land produced an excellent result in 2017 with improved contributions from both its investment property and development property businesses, leading to a record underlying profit. The Group continues to maintain a strong balance sheet and ample financial liquidity, and is well-positioned to capitalise on opportunities to grow in its key markets.

STRATEGY

Hongkong Land operates a well-diversified portfolio of prime investment properties which it develops and holds as long-term investments, and develops premium residential and accompanying commercial properties for sale.

The Group's investment properties are predominately commercial in nature and located in central business districts of Asian gateway cities, with a concentration in Hong Kong and Singapore. Returns principally arise from rental income and long-term capital appreciation. The commercial portfolios in Hong Kong and Singapore provide a steady stream of earnings and are the foundation of the strong financial strength that enables the Group to pursue new opportunities in its key markets in Greater China and Southeast Asia.

The Group's development properties are premium residential and accompanying commercial developments primarily located in mainland China and Singapore, with a growing presence in Southeast Asia. Returns principally arise from short to medium-term trading profits.

Hong Kong's Central Portfolio

In Hong Kong, the Group owns and manages 12 interconnected prime commercial buildings that form 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.

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 advantages of the Group's portfolio, continues to support low vacancy and strong rents.

The Group's 54,000 sq. m. retail portfolio is integrated with the office buildings to create part of the Group's distinctive and successful mixed-use business model. Its tenants include numerous luxury brand flagship stores, as well as leading restaurants that have collectively been awarded a total of nine Michelin stars. LANDMARK is firmly established as the iconic shopping and fine dining destination in Hong Kong.

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 interest of 165,000 sq. m., principally in the Marina Bay Area, includes some of the finest Grade A office space in the market. In mainland China, the 43,000 sq. m. retail component of the Group's WF CENTRAL development in Beijing was opened in November 2017, and planning is underway for further developments in Beijing and Shanghai.

In Indonesia, the Group has attributable interests of over 100,000 sq. m. of commercial property through its 50%-owned joint venture, Jakarta Land, including the recently completed 74,000 sq. m. World Trade Centre III tower. In Cambodia, the development of EXCHANGE SQUARE, a 25,000 sq. m. mixed-use complex comprising office and retail components in the heart of Phnom Penh, was completed in early 2017.

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 Asia.

Development Properties

The Group has established a strong and profitable trading business focusing primarily on the premium market segment in mainland China and Southeast Asia. While the capital invested in this business is significantly lower than in its investment properties, the earnings derived from development properties enhance 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 2017 totalled 8.2 million sq. m., compared to 7.3 million sq. m. at the end of 2016. Of this, construction of approximately 34% had been completed at the end of 2017, compared to 31% at the end of 2016.

Annual returns from development properties fluctuate due to the nature of the projects and the Group's accounting policy of only recognising profits on sold properties on completion. 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 the Group's investment properties were higher in 2017 than 2016, due to positive office rental reversions in Hong Kong and continuing low vacancies in both Hong Kong and Singapore.

Hong Kong

The Hong Kong office leasing market remained buoyant, backed by continued tight Grade A office supply and steady demand for prime office space, in particular from mainland Chinese companies. Vacancy for the overall Central Grade A market was 1.7% at the end of 2017, unchanged from the end of 2016. The Group's vacancy at the end of 2017 was 1.4%, down from 2.2% at the end of 2016. The Group's average office rent was HK$108 per sq. ft, an increase from the 2016 average of HK$103 per sq. ft. Financial institutions, legal firms and accounting firms occupy 78% of the Group's total leased office space.

The Group's retail portfolio in Hong Kong was fully let at 31st December 2017, against a backdrop of modestly improved market sentiment during the second half of the year. Base rental reversions were largely neutral during the year, while the average rent of HK$224 per sq. ft was up slightly from the HK$218 per sq. ft achieved in the prior year, due to the full year effect of positive reversions seen in 2016.

The value of the Group's investment portfolio in Hong Kong at 31st December 2017, based on independent valuations, increased by 17% to US$30.9 billion when compared to the prior year, primarily due to capitalisation rates compressing on strong investor demand for commercial property.

Singapore

Although the Singapore office leasing market showed signs of improvement towards the end of 2017 as new supply was taken up, a sustained trend is not yet evident. The overall vacancy across the entire Grade A central business district market was

10.8% as at the end of 2017, compared to 6.7% at the end of 2016. The Group's office portfolio remained resilient, reflecting its high quality and unique positioning. Vacancy remained low at 0.3% at the year end, compared to 0.1% at the end of 2016. The Group's average rent in 2017 was S$9.1 per sq. ft, a decrease from S$9.3 per sq. ft in the previous year, due to overall negative rental reversions. Financial institutions, legal firms and accounting firms occupy 82% of the total leasable area.

In June 2017, the Group signed an agreement to jointly construct and manage a site within the Marina Bay Financial District of Singapore with a developable area of 120,000 sq. m. The conditions precedent to the proposed joint development proceeding are yet to be fulfilled.

Other Investment Properties

In Beijing, WF CENTRAL, the Group's unique lifestyle, luxury retail and hotel project in Wangfujing, had the soft opening of its retail component in November 2017. This prestigious development houses a large number of renowned international brands with many making their debuts in Beijing. The development also includes a 74-room Mandarin Oriental hotel, which is expected to open in the second half of 2018. In the central business district of Beijing's Chaoyang District, the Group's 30%-owned proposed office development project remains under planning. It will be developed as a prime Grade A office building of 120,000 sq. m.

In Shanghai, the Group's joint venture project with Lujiazui Group in the Qiantan area of Pudong remains in the planning stage and is also subject to final regulatory approval. The intention is to develop the site into a mixed-use project comprising office and retail components, with a developable area of 230,000 sq. m.

In One Central Macau, occupancy in the retail portfolio was 92%, compared to 95% in the prior year. Tenant sales were up 2% as the market showed signs of stabilising.

In Jakarta, development of the fifth tower at the Group's 50%-owned joint venture, Jakarta Land, was completed at the start of 2018 and the space is in the process of being handed over to tenants. Occupancy across the portfolio increased to 92% at the end of 2017, compared to 90% at the end of 2016; a strong result amidst a backdrop of surplus city-wide office supply. The average gross rent in 2017 was US$25.1 per sq. m., virtually unchanged from 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, was completed in early 2017. The development has secured a number of anchor tenants and was 65% occupied at the end of 2017. It continues to see reasonable demand for its remaining vacant space.

In October 2017, agreement was reached to jointly acquire a freehold site in Bangkok's central business district that will yield a developable area of 440,000 sq. m. The transaction closed in January 2018.

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

REVIEW OF DEVELOPMENT PROPERTIES

Earnings from the Group's development properties were significantly higher in 2017 compared to 2016, primarily due to higher completions in mainland China, partially offset by a lower profit contribution from Singapore.

Mainland China

The Group's development properties in mainland China are located in seven cities, with a concentration in Chongqing. During the year, the Group entered into three new markets: namely Wuhan, Nanjing and Hangzhou, and acquired two further sites in Chongqing. The new projects are predominantly residential with accompanying commercial components.

Despite government cooling measures, sales performance remained resilient. Total contracted sales in 2017 was US$1,112 million, marginally higher than the US$1,105 million achieved in the prior year as a strong selling performance in the first half of the year was offset by fewer sales launches in the second half. The Group's attributable interest in revenue recognised, including its share of revenue in joint ventures and associates, rose to US$1,347 million in 2017 from US$676 million in 2016, an increase of 99%, due to the timing of completions.

At 31st December 2017, the Group's attributable interest in sold but not yet recognised contracted sales amounted to US$1,032 million, a decrease of 5% from US$1,083 million at the end of 2016.

Chongqing, the largest city in western China, remains the most significant market in the country for the Group's development properties, representing some 53% of its mainland China exposure in this sector. There are three wholly-owned projects, Yorkville South, Yorkville North and a project in Dazhulin acquired in August 2017 adjacent to New Bamboo Grove, and five 50%-owned joint ventures, being Bamboo Grove, New Bamboo Grove, Landmark Riverside, Central Avenue and a newly acquired project in Lijia, a residential area along the south bank of the Jialing River.

The newly acquired 100%-owned site adjacent to New Bamboo Grove is primarily residential with a total developable area of some 161,000 sq. m. The new 50%-owned site located in Lijia is also primarily residential with a total developable area of some 114,000 sq. m. Both projects will be completed in a single phase in 2020.

The Group's attributable interest in revenue recognised in Chongqing, including its share of revenue in joint ventures and associates, rose to US$806 million in 2017 from US$509 million in 2016, an increase of 58%, due to the timing of completions. The Group's attributable interest in the developable area of its Chongqing projects at the end of 2017 totalled 4.3 million sq. m., compared to 4.1 million sq. m. at the end of 2016. Of this, construction of approximately 48% had been completed at the end of 2017, compared to 41% at the end of 2016.

In Shanghai, the Group holds a 50% joint venture interest to develop a prime residential project, Parkville, which is located in Pudong within Shanghai's inner-ring road. The project consists of residential and commercial space with a total developable area of approximately 230,000 sq. m. Of this, construction of approximately 33%, comprising some offices and the entire residential component, had been completed at the end of 2017. The Group's share of sales recognised was US$399 million.

In Wuhan, the Group entered into a 50%-owned joint venture with Zall Group in February 2017 to develop a mixed-use site within the Dongxihu District. The project comprises residential, retail and office components, with a total developable area of approximately 493,000 sq. m. The project is planned to be developed in three phases to 2022.

In Nanjing, the Group entered into a joint venture with China Merchants Property Development and Country Garden in March 2017 to develop a mixed-use site within Qinhuai District. The project comprises residential, retail and serviced apartments, and a hotel, with a total developable area of approximately 218,000 sq. m. The project is planned to be developed in two phases to 2021.

Following the end of 2017, the Group acquired a commercial site in Xinjiekou, a mature business and retail district in the heart of the Nanjing central business district. The project comprises offices and retail over a developable area of 235,000 sq. m. and will be developed in one phase to 2023.

In Hangzhou, the Group entered into a joint venture with Yanlord and Transfar Group in August 2017 to develop two mixed-used sites in Xiaoshan District. The project mainly comprises residential, retail and serviced apartments, with a total developable area of approximately 776,000 sq. m. The project is planned to be developed in three phases to 2022.

Singapore

The Group completed one residential project during 2017, the 699-unit LakeVille project, which was fully sold.

The 1,327-unit Sol Acres executive condominium development, which is scheduled for completion in 2018, was 96% pre-sold at the end of 2017. The 710-unit Lake Grande project, a residential site located adjacent to the LakeVille project, which is scheduled for completion in 2019, was 98% pre-sold.

Construction of Margaret Ville, a 309-unit residential project with a developable area of 239,000 sq. ft, is underway with completion scheduled in 2021. Pre-sales are expected to commence in the first half of 2018.

In May 2017, the Group successfully tendered for a residential site at Sims Avenue, near the Eunos MRT station. The project will yield approximately 1,400 units over a developable area of 98,000 sq. m. Construction will commence in 2018 and is expected to complete by 2021.

Other Development Properties

In Indonesia, construction of the Group's residential projects is progressing well. Nava Park, the Group's 49%-owned joint venture with Bumi Serpong Damai, is a 67 hectare site in the southwest of central Jakarta. Upon completion in 2029, Nava Park will comprise a mix of landed houses, villas, mid-rise apartments and low-rise commercial components. Of the 653 units which have been launched for sale, 74% had been pre-sold as at the end of 2017. The first phase of the launched units was completed in 2017, while the second phase is due for completion by stages through to 2020.

Anandamaya Residences, the 40%-owned joint venture project with affiliate Astra International, is a 509-unit luxury apartment development. Construction is scheduled to complete in the second half of 2018. As of the end of 2017, 94% of the units had been pre-sold. In January 2018, the Group agreed to develop another residential site, Arumaya, with Astra International. It will consist of 262 luxury garden villas and apartments and is expected to complete in 2022.

Asya (formerly Jakarta Garden City), the joint venture in which the Group has a 33.5% attributable interest, is a 68 hectare site located east of central Jakarta. The project will yield a total developable area of approximately one million sq. m., comprising landed houses, villas, apartments and low-rise commercial shophouses. The project will be developed in multiple phases through to 2031. Pre-sale of the first phase was launched in December 2017.

In the Philippines, construction is continuing at Two Roxas Triangle, the 40%-owned luxury 182-unit residential condominium tower in Manila's central Makati area. The development is expected to be completed in 2018. At the end of 2017, 96% of the units had been pre-sold.

At Mandani Bay, a 40%-owned 20 hectare development comprising principally residential units with some office and retail components in Cebu, construction progress remains on track with the project planned to be developed in multiple phases through to 2035. Of the 2,118 units launched, 50% was pre-sold at the end of 2017.

In Vietnam, the Group secured two new residential sites in Ho Chi Minh City. In July 2017, the Group conditionally entered into a 64%-owned joint venture to develop a prime residential site in District 2 of the city. The project will yield a total developable area of approximately 175,000 sq. m., consisting of over 1,000 luxury apartments. The project will be developed over two phases through to 2024.

In December 2017, the Group conditionally entered into a 70%-owned joint venture to develop a prime residential site in District 1 of Ho Chi Minh City. The project will comprise a 530-unit luxury residential tower with a total developable area of approximately 57,000 sq. m. The project will be developed in a single phase and is expected to complete in 2021.

In Thailand, the Group secured its first residential project in Bangkok, under a 49%-owned joint venture, in February 2017. The site, which is located in the Sukhumvit area of Bangkok, will be developed as a 338-unit high-rise luxury condominium tower with total developable area of approximately 38,000 sq. m. The project will be developed in a single phase and is expected to complete in 2020.

OUTLOOK

The Group's investment property portfolio is expected to continue generating stable returns in 2018. In the development properties business, higher profits are expected from mainland China and Singapore.

We take pride in delivering outstanding services and products to our tenants and customers by upholding the highest standards of quality. These are the core values which have served as the foundation of Hongkong Land's long-term success. The Group intends to utilise its strong balance sheet and disciplined investment approach to further strengthen its market positions and achieve sustained growth.

Robert Wong
Chief Executive

Hongkong Land Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2017

	2017 Underlying business performance US$m	2017 Non-trading items US$m	2017 Total US$m	2016 Underlying business performance US$m	2016 Non-trading items US$m	2016 Total US$m
Revenue *(note 2)*	**1,959.8**	**-**	**1,959.8**	1,993.9	-	1,993.9
Net operating costs *(note 3)*	**(1,052.2)**	**-**	**(1,052.2)**	(1,023.3)	-	(1,023.3)
	907.6	**-**	**907.6**	970.6	-	970.6
Change in fair value of investment properties *(note 7)*	**-**	**4,677.9**	**4,677.9**	-	2,549.9	2,549.9
Gain on acquisition of a subsidiary	**-**	**3.0**	**3.0**	-	-	-
Asset impairment reversals	**-**	**-**	**-**	-	1.2	1.2
Operating profit *(note 4)*	**907.6**	**4,680.9**	**5,588.5**	970.6	2,551.1	3,521.7
Net financing charges						
- financing charges	**(121.3)**	**-**	**(121.3)**	(110.4)	-	(110.4)
- financing income	**43.1**	**-**	**43.1**	41.5	-	41.5
	(78.2)	**-**	**(78.2)**	(68.9)	-	(68.9)
Share of results of associates and joint ventures *(note 5)*						
- before change in fair value of investment properties	**298.5**	**-**	**298.5**	117.0	-	117.0
- change in fair value of investment properties	**-**	**(53.1)**	**(53.1)**	-	(57.9)	(57.9)
	298.5	**(53.1)**	**245.4**	117.0	(57.9)	59.1
Profit before tax	**1,127.9**	**4,627.8**	**5,755.7**	1,018.7	2,493.2	3,511.9
Tax *(note 6)*	**(156.8)**	**(1.8)**	**(158.6)**	(168.1)	0.8	(167.3)
Profit after tax	**971.1**	**4,626.0**	**5,597.1**	850.6	2,494.0	3,344.6
Attributable to:						
Shareholders of the Company	**969.7**	**4,615.7**	**5,585.4**	847.8	2,498.5	3,346.3
Non-controlling interests	**1.4**	**10.3**	**11.7**	2.8	(4.5)	(1.7)
	971.1	**4,626.0**	**5,597.1**	850.6	2,494.0	3,344.6

	US¢		**US¢**	US¢		US¢
Earnings per share (basic and diluted) *(note 8)*	**41.21**		**237.39**	36.03		142.23

Hongkong Land Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2017

	2017 **US$m**	2016 US$m
Profit for the year	**5,597.1**	3,344.6
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	**2.3**	(1.2)
Tax on items that will not be reclassified	**(0.4)**	0.2
	1.9	(1.0)
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net gain/(loss) arising during the year	**69.4**	(172.1)
- transfer to profit and loss	**11.2**	-
	80.6	(172.1)
Revaluation of other investments	**51.4**	(9.1)
Cash flow hedges		
- net (loss)/gain arising during the year	**(27.8)**	41.8
- transfer to profit and loss	**(2.8)**	(2.5)
	(30.6)	39.3
Tax relating to items that may be reclassified	**5.1**	(6.5)
Share of other comprehensive income/ (expense) of associates and joint ventures	**237.2**	(144.9)
	343.7	(293.3)
Other comprehensive income/(expense) for the year, net of tax	**345.6**	(294.3)
Total comprehensive income for the year	**5,942.7**	3,050.3
Attributable to:		
Shareholders of the Company	**5,925.8**	3,055.2
Non-controlling interests	**16.9**	(4.9)
	5,942.7	3,050.3

Hongkong Land Holdings Limited
Consolidated Balance Sheet
at 31st December 2017

	2017 US$m	2016 US$m
Net operating assets		
Tangible fixed assets	**106.9**	44.9
Investment properties *(note 10)*	**32,481.0**	27,712.3
Associates and joint ventures	**5,550.8**	4,460.7
Other investments	**103.0**	52.2
Non-current debtors	**28.5**	60.1
Deferred tax assets	**15.5**	8.7
Pension assets	**0.1**	-
Non-current assets	**38,285.8**	32,338.9
Properties for sale	**2,534.6**	2,217.4
Current debtors	**498.4**	480.3
Current tax assets	**10.6**	9.2
Bank balances	**1,622.1**	1,908.9
Current assets	**4,665.7**	4,615.8
Current creditors	**(1,694.9)**	(1,490.3)
Current borrowings *(note 11)*	**(190.6)**	(220.7)
Current tax liabilities	**(113.5)**	(80.0)
Current liabilities	**(1,999.0)**	(1,791.0)
Net current assets	**2,666.7**	2,824.8
Long-term borrowings *(note 11)*	**(3,980.3)**	(3,695.7)
Deferred tax liabilities	**(126.9)**	(121.5)
Pension liabilities	**-**	(1.8)
Non-current creditors	**(36.9)**	(30.3)
	36,808.4	31,314.4
Total equity		
Share capital	**235.3**	235.3
Share premium	**386.9**	386.9
Revenue and other reserves	**36,151.5**	30,672.2
Shareholders' funds	**36,773.7**	31,294.4
Non-controlling interests	**34.7**	20.0
	36,808.4	31,314.4

Hongkong Land Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2017

	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
2017								
At 1st January	**235.3**	**386.9**	**31,093.6**	**18.6**	**(440.0)**	**31,294.4**	**20.0**	**31,314.4**
Total comprehensive income	**-**	**-**	**5,638.7**	**(26.3)**	**313.4**	**5,925.8**	**16.9**	**5,942.7**
Dividends paid by the Company	**-**	**-**	**(447.0)**	**-**	**-**	**(447.0)**	**-**	**(447.0)**
Dividends paid to non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**(2.2)**	**(2.2)**
Unclaimed dividends forfeited	**-**	**-**	**0.5**	**-**	**-**	**0.5**	**-**	**0.5**
At 31st December	**235.3**	**386.9**	**36,285.8**	**(7.7)**	**(126.6)**	**36,773.7**	**34.7**	**36,808.4**
2016								
At 1st January	235.3	386.9	28,205.8	(9.1)	(133.9)	28,685.0	35.4	28,720.4
Total comprehensive income	-	-	3,336.2	27.7	(308.7)	3,055.2	(4.9)	3,050.3
Dividends paid by the Company	-	-	(447.0)	-	-	(447.0)	-	(447.0)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(4.2)	(4.2)
Unclaimed dividends forfeited	-	-	0.5	-	-	0.5	-	0.5
Change in interests in subsidiaries	-	-	(1.9)	-	2.6	0.7	(6.3)	(5.6)
At 31st December	235.3	386.9	31,093.6	18.6	(440.0)	31,294.4	20.0	31,314.4

The comprehensive income included in revenue reserves mainly comprises profit attributable to shareholders of the Company of US$5,585.4 million *(2016: US$3,346.3 million)* and a fair value gain on other investments of US$51.4 million *(2016: loss of US$9.1 million)*. The cumulative fair value gain on other investments amounted to US$65.8 million *(2016: US$14.4 million)*.

Hongkong Land Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2017

	2017 US$m	2016 US$m
Operating activities		
Operating profit	**5,588.5**	3,521.7
Depreciation	**3.0**	3.1
Reversal of writedowns on properties for sale	**-**	(3.2)
Change in fair value of investment properties	**(4,677.9)**	(2,549.9)
Gain on acquisition of a subsidiary	**(3.0)**	-
Asset impairment reversals	**-**	(1.2)
(Increase)/decrease in properties for sale	**(69.7)**	392.4
Decrease/(increase) in debtors	**26.7**	(131.7)
Increase/(decrease) in creditors	**51.3**	(7.5)
Interest received	**41.9**	36.4
Interest and other financing charges paid	**(117.8)**	(111.4)
Tax paid	**(137.2)**	(140.6)
Dividends from associates and joint ventures	**94.4**	88.1
Cash flows from operating activities	**800.2**	1,096.2
Investing activities		
Major renovations expenditure	**(108.2)**	(91.3)
Developments capital expenditure	**(105.5)**	(148.2)
Acquisition of a subsidiary	**(42.6)**	-
Investments in and advances to associates and joint ventures	**(670.5)**	(1.4)
Payment of deposit for a joint venture	**(20.1)**	(4.2)
Cash flows from investing activities	**(946.9)**	(245.1)
Financing activities		
Drawdown of borrowings	**825.1**	266.7
Repayment of borrowings	**(586.1)**	(240.6)
Dividends paid by the Company	**(443.4)**	(443.8)
Dividends paid to non-controlling shareholders	**(3.8)**	(4.2)
Change in interests in subsidiaries	**15.0**	(20.2)
Cash flows from financing activities	**(193.2)**	(442.1)
Net cash (outflow)/inflow	**(339.9)**	409.0
Cash and cash equivalents at 1st January	**1,898.4**	1,565.9
Effect of exchange rate changes	**58.1**	(76.5)
Cash and cash equivalents at 31st December	**1,616.6**	1,898.4

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 2017 which have been prepared in conformity with International Financial Reporting Standards (‘IFRS’), including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

There are no new standards or amendments, which are effective in 2017 and relevant to the Group’s operations, that have a significant effect on the Group’s accounting policies and disclosures.

2. REVENUE

	2017 **US$m**	2016 US$m
Rental income	**911.7**	858.8
Service income	**140.3**	130.8
Sales of properties	**907.8**	1,004.3
	1,959.8	1,993.9

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

Total contingent rents included in rental income amounted to US$8.8 million *(2016: US$10.4 million)*.

3. NET OPERATING COSTS

	2017 **US$m**	2016 US$m
Cost of sales	**(933.5)**	(923.0)
Other income	**17.0**	11.7
Administrative expenses	**(135.7)**	(112.0)
	(1,052.2)	(1,023.3)

4. OPERATING PROFIT

	2017 US$m	2016 US$m
By business		
Investment Properties	**851.5**	805.9
Development Properties	**123.9**	226.2
Corporate	**(67.8)**	(61.5)
	907.6	970.6
Change in fair value of investment properties	**4,677.9**	2,549.9
Gain on acquisition of a subsidiary	**3.0**	-
Asset impairment reversals	**-**	1.2
	5,588.5	3,521.7

5. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	2017 US$m	2016 US$m
By business		
Investment Properties		
- operating profit	**136.4**	146.4
- net financing charges	**(36.8)**	(39.0)
- tax	**(17.5)**	(18.0)
- net profit	**82.1**	89.4
Development Properties		
- operating profit	**415.8**	60.0
- net financing income	**10.6**	5.8
- tax	**(196.7)**	(28.4)
- non-controlling interests	**(13.3)**	(9.8)
- net profit	**216.4**	27.6
Underlying business performance	**298.5**	117.0
Change in fair value of investment properties (net of deferred tax)	**(53.1)**	(57.9)
	245.4	59.1

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

6. TAX

	2017 US$m	2016 US$m
Tax charged to profit and loss is analysed as follows:		
Current tax	**(168.0)**	(149.3)
Deferred tax		
- changes in fair value of investment properties	**(1.8)**	0.8
- other temporary differences	**11.2**	(18.8)
	9.4	(18.0)
	(158.6)	(167.3)
Tax relating to components of other comprehensive income is analysed as follows:		
Remeasurements of defined benefit plans	**(0.4)**	0.2
Cash flow hedges	**5.1**	(6.5)
	4.7	(6.3)

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$192.8 million *(2016: US$47.4 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, 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:

	2017 US$m	2016 US$m
Change in fair value of investment properties	**4,677.9**	2,549.9
Deferred tax on change in fair value of investment properties	**(1.8)**	0.8
Gain on acquisition of a subsidiary	**3.0**	-
Share of change in fair value of investment properties of associates and joint ventures (net of deferred tax)	**(53.1)**	(57.9)
Asset impairment reversals	**-**	1.2
Non-controlling interests	**(10.3)**	4.5
	4,615.7	2,498.5

8. EARNINGS PER SHARE

Earnings per share are calculated on profit attributable to shareholders of US$5,585.4 million *(2016: US$3,346.3 million)* and on the weighted average number of 2,352.8 million *(2016: 2,352.8 million)* shares in issue during the year.

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

	2017		2016	
	US$m	**Earnings per share US¢**	US$m	Earnings per share US¢
Underlying profit attributable to shareholders	**969.7**	**41.21**	847.8	36.03
Non-trading items *(note 7)*	**4,615.7**		2,498.5	
Profit attributable to shareholders	**5,585.4**	**237.39**	3,346.3	142.23

9. DIVIDENDS

	2017 US$m	2016 US$m
Final dividend in respect of 2016 of US¢13.00 *(2015: US¢13.00) per share*	**305.8**	305.8
Interim dividend in respect of 2017 of US¢6.00 *(2016: US¢6.00) per share*	**141.2**	141.2
	447.0	447.0

A final dividend in respect of 2017 of US¢14.00 *(2016: US¢13.00)* per share amounting to a total of US$329.4 million *(2016: US$305.8 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting. The amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2018.

10. INVESTMENT PROPERTIES

	2017 US$m	2016 US$m
At 1st January	**27,712.3**	24,957.3
Exchange differences	**(123.1)**	(71.0)
Additions	**213.9**	276.1
Increase in fair value	**4,677.9**	2,549.9
At 31st December	**32,481.0**	27,712.3

11. BORROWINGS

	2017 US$m	2016 US$m
Current		
Bank overdrafts	**5.5**	10.5
Bank loans	**5.0**	-
Current portion of long-term borrowings		
- bank loans	**180.1**	175.1
- notes	**-**	35.1
	190.6	220.7
Long-term		
Bank loans	**1,127.0**	838.0
Medium term notes		
- due 2019	**102.3**	103.1
- due 2020	**306.0**	299.6
- due 2021	**66.4**	66.8
- due 2022	**605.2**	605.1
- due 2023	**178.2**	179.5
- due 2024	**402.7**	405.5
- due 2025	**650.2**	651.8
- due 2026	**38.3**	38.6
- due 2027	**184.9**	186.1
- due 2028	**79.2**	79.7
- due 2029	**50.5**	50.9
- due 2030	**102.3**	103.2
- due 2031	**25.2**	25.4
- due 2032	**30.1**	30.3
- due 2040	**31.8**	32.1
	2,853.3	2,857.7
	3,980.3	3,695.7
	4,170.9	3,916.4

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 31st December 2017 amounted to US$1,365.6 million *(2016: US$623.0 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 2017 was US$4.9 million *(2016: US$4.2 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 2017 amounted to US$21.2 million *(2016: US$20.2 million)*.

The Group provided consultancy services to Jardine Matheson group members in 2017 amounting to US$0.2 million *(2016: US$0.4 million)*.

Jardine Matheson group members provided property maintenance and other services to the Group in 2017 in aggregate amounting to US$63.9 million *(2016: US$53.7 million)*.

Hotel management services
Jardine Matheson group members provided hotel management services to the Group in 2017 amounting to US$3.4 million *(2016: US$2.4 million)*.

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

Hongkong Land Holdings Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The 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 2017 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 and Chief Executive's Review.

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 on the Group's joint venture partners, bankers, suppliers or tenants. These developments can result in:

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

Such developments might increase costs of sales and operating costs, reduce revenues, increase net financing charges, or result in reduced valuations of the Group's investment properties or in the Group being unable to meet in full 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 practices, and where practicable steps are taken to mitigate such risks. These risks are further pronounced when operating in volatile markets.

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

The Group operates in areas that are highly competitive, and failure to compete effectively in terms of price, 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 pressure from such competition may also lead to reduced margins. The quality and safety of the products and services provided by the Group are important and there is an associated risk if they are below standard, while any damage to brand equity or reputation might adversely impact the ability to achieve acceptable revenues and profit margins.

The potential impact due to the disruption to IT systems or infrastructure, whether by cyber-crime or other reasons, may be significant.

Regulatory and Political Risk

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

Terrorism, Pandemic and Natural Disasters

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

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

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 2017 Annual Report, including the Chairman's Statement, Chief Executive's Review and Principal Risks and Uncertainties, which constitute the management report include a fair review of all information required to be disclosed by the Disclosure 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¢14.00 per share will be payable on 16th May 2018, subject to approval at the Annual General Meeting to be held on 9th May 2018, to shareholders on the register of members at the close of business on 23rd March 2018. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 21st and 22nd March 2018, respectively. The share registers will be closed from 26th to 30th March 2018, inclusive.

Shareholders will receive their cash dividends in United States dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2017 final dividend by notifying the United Kingdom transfer agent in writing by 27th April 2018. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 2nd May 2018.

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 23rd March 2018, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, no later than 5.00 p.m. (local time) on 22nd March 2018.

Hongkong Land Group

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

The Group owns and manages more than 850,000 sq. m. of prime office and luxury retail property in key Asian cities, principally in Hong Kong, Singapore and Beijing. Hongkong Land's properties attract the world's foremost companies and luxury brands.

Its Hong Kong Central portfolio represents some 450,000 sq. m. of prime property. It has a further 165,000 sq. m. of prestigious office space in Singapore mainly held through joint ventures, 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.

- end -

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 31st December 2017 can be accessed through the Internet at 'www.hkland.com'.