

Announcement

29th July 2021

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 HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2021

Highlights

- Underlying profit of US\$394 million, up 12%
- Continued resilient performance from Investment Properties
- Net asset value per share down 4% on lower capital values
- Five new development projects secured

“While higher second-half underlying profits are expected from the Group’s Development Properties business due to more sales completions on the Chinese mainland, overall conditions are expected to be similar to those of the first-half.”

Ben Keswick
Chairman

Results

	(unaudited) Six months ended 30th June		Change
	2021	2020	%
	US\$m	US\$m	
Underlying profit attributable to shareholders [#]	394	353	+12
Loss attributable to shareholders	(865)	(1,828)	+53
Shareholders’ funds	34,414	35,709*	-4
Net debt	4,262	4,568*	+7
	US¢	US¢	%
Underlying earnings per share [#]	16.90	15.12	+12
Loss per share	(37.06)	(78.31)	+53
Interim dividend per share	6.00	6.00	-
	US\$	US\$	%
Net asset value per share	14.75	15.30*	-4
[#] The Group uses ‘underlying profit attributable to shareholders’ in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 7 to the condensed financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group’s underlying business performance. * At 31st December 2020			

The interim dividend of US¢6.00 per share will be payable on 13th October 2021 to shareholders on the register of members at the close of business on 20th August 2021.

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HONGKONG LAND HOLDINGS LIMITED
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2021

OVERVIEW

The Group's results benefited from higher Development Properties profits due to the timing of sales completions, while contributions from Investment Properties remained resilient, despite negative rental reversions in Hong Kong.

PERFORMANCE

Underlying profit attributable to shareholders during the first half was US\$394 million, compared with US\$353 million in the equivalent period in 2020.

There was a loss attributable to shareholders for the first half of US\$865 million, which includes net non-cash losses of US\$1,259 million arising from the revaluation of the Group's investment properties due to lower open market rents. This compares with a loss of US\$1,828 million for the first half of 2020, which included net losses of US\$2,180 million arising from investment property revaluations.

The net asset value per share at 30th June 2021 was US\$14.75, compared to US\$15.30 at 31st December 2020.

The Directors have declared an unchanged interim dividend of US¢6.00 per share.

GROUP REVIEW

Investment Properties

The Group's office portfolio in Hong Kong continued to perform relatively well amidst the ongoing market downturn. Vacancy was 6.4% at the end of June 2021, compared to 6.3% at the end of 2020, and on a committed basis it was 5.5%, compared to 5.9% at the end of 2020. Office rental reversions were negative, with average office rents of HK\$118 per sq. ft in the first half of 2021. This compares to an average rent of HK\$121 per sq. ft and HK\$119 per sq. ft in the first and second halves of 2020, respectively. New office leasing activity saw a modest increase in the period as a result of improved sentiment and a narrowing rental gap between Central and other parts of the city.

Trading at the Group's Central retail portfolio benefited from a modest recovery in luxury retail market sentiment in the period. Vacancy was 0.9% at the end of June 2021, compared to 0.3% at the end of 2020. On a committed basis, vacancy was 0.8%, compared to 0.3% at the end of 2020. Average retail rents were HK\$180 per sq. ft in the first half of 2021, compared with HK\$151 per sq. ft and HK\$177 per sq. ft in the first and second halves of 2020, respectively. Excluding temporary rent relief, average retail rents in the first half of 2021 were HK\$203 per sq. ft. Base retail rental reversions were negative in the period and the Group continued to provide temporary rent relief on a case-by-case basis.

In Singapore, vacancy across the Group's office portfolio was 7.5% at the end of June 2021, compared with 2.1% at the end of 2020. On a committed basis, vacancy was 2.1%, unchanged from the end of 2020. Average office rents increased to S\$10.2 per sq. ft in the first half of 2021, compared with S\$9.9 per sq. ft in both the first and second halves of 2020. Rental reversions remained positive in the first half of the year.

In Beijing, trading at WF CENTRAL remained robust due to the strength of luxury retail market sentiment on the Chinese mainland, with tenant sales in the period exceeding those achieved in the equivalent periods in 2019 and 2020.

In Shanghai, construction has commenced at the Group's prime mixed-use project on the West Bund and remains on schedule, with completion in multiple phases to 2027.

In Bangkok, the planning of the Group's 49%-owned prime retail and Grade A office development in the central business district continues. The development has been delayed by COVID-19 related restrictions, with completion expected in 2027.

Development Properties

On the Chinese mainland, higher sales completions in the period resulted in an increased profit contribution, while the Group's attributable interest in contracted sales in the first half of 2021 was US\$1,360 million, compared to US\$591 million and US\$1,544 million in the first and second halves of 2020, respectively. Market sentiment in the Group's core markets remains stable. At 30th June 2021, the Group had US\$3,367 million in sold but unrecognised contracted sales, compared with US\$2,584 million at the end of 2020. Both sales completions and contracted sales are in line with expectations, with sales completions expected to strengthen in the second half of the year.

Although competition to secure sites for development on the Chinese mainland remains fierce, the Group has secured three predominantly residential projects during the period: a site located in the Lishui District of Nanjing with a developable area of 93,000 sq. m. and two further sites located in the Qiaokou and Guanggu Districts of Wuhan with an aggregate attributable developable area of 245,000 sq. m.

The profit contribution from the Singapore business in the first half of 2021 was higher than in the first half of 2020, which was impacted by pandemic-related disruptions. The 309-unit Margaret Ville is fully pre-sold, whilst pre-sales at the 1,404-unit Parc Esta and the 638-unit Leedon Green projects are performing within expectations. The Group's attributable interest in contracted sales was US\$172 million in the first half of 2021, compared to US\$301 million and US\$331 million in the first and second halves of 2020, respectively.

During the period, the Group secured two joint venture projects in Singapore, including an executive condominium site in the Tengah area and a predominantly residential site at Northumberland Road. The Group's effective interest in these projects equates to a developable area of 529,000 sq. ft.

In the rest of Southeast Asia, market sentiment remains weak in light of the ongoing impact of COVID-19 and related restrictions.

Financing

The Group's financial position remains strong. Net debt declined to US\$4.3 billion at 30th June 2021 from US\$4.6 billion at the end of 2020. Net gearing was 12% compared with 13% at the end of 2020.

As at 30th June 2021, the Group had committed liquidity of US\$4.4 billion, compared to US\$4.3 billion at the end of 2020, with an average tenor of debt of 6.4 years compared to 6.6 years at the end of 2020.

PEOPLE

Our employees continue to show exemplary commitment and resilience in safeguarding the wellbeing of our customers, and on behalf of the Board, I would like to take this opportunity to thank them for their ongoing dedication and hard work during these difficult times.

James Watkins retired from the Board following today's Board meeting. On 20th May 2021, it was announced that Simon Dixon would step down from the Board on 31st August 2021. The Board would like to record its gratitude to both of them for their significant contribution to the Group. As announced on 20th May 2021, Craig Beattie will be appointed as a Director and Chief Financial Officer of the Company with effect from 1st September 2021.

OUTLOOK

While higher second-half underlying profits are expected from the Group's Development Properties business due to more sales completions on the Chinese mainland, overall conditions are expected to be similar to those of the first-half.

Ben Keswick

Chairman

Hongkong Land Holdings Limited
Consolidated Profit and Loss Account

	(unaudited)						Year ended 31st December		
	2021			2020			2020		
	Underlying business performance US\$m	Non- trading items US\$m	Total US\$m	Underlying business performance US\$m	Non- trading items US\$m	Total US\$m	Underlying business performance US\$m	Non- trading items US\$m	Total US\$m
Revenue (<i>note 2</i>)	885.8	-	885.8	820.2	-	820.2	2,094.2	-	2,094.2
Net operating costs (<i>note 3</i>)	(476.4)	0.5	(475.9)	(389.4)	-	(389.4)	(1,135.2)	1.0	(1,134.2)
Change in fair value of investment properties	-	(1,248.8)	(1,248.8)	-	(2,062.9)	(2,062.9)	-	(3,443.4)	(3,443.4)
Operating profit/(loss) (<i>note 4</i>)	409.4	(1,248.3)	(838.9)	430.8	(2,062.9)	(1,632.1)	959.0	(3,442.4)	(2,483.4)
Net financing charges									
- financing charges	(106.9)	-	(106.9)	(99.5)	-	(99.5)	(194.9)	-	(194.9)
- financing income	33.8	-	33.8	36.3	-	36.3	79.0	-	79.0
	(73.1)	-	(73.1)	(63.2)	-	(63.2)	(115.9)	-	(115.9)
Share of results of associates and joint ventures (<i>note 5</i>)	120.1	(4.4)	115.7	45.2	(134.5)	(89.3)	267.5	(175.4)	92.1
Profit/(loss) before tax	456.4	(1,252.7)	(796.3)	412.8	(2,197.4)	(1,784.6)	1,110.6	(3,617.8)	(2,507.2)
Tax (<i>note 6</i>)	(62.1)	(4.8)	(66.9)	(61.7)	12.3	(49.4)	(149.5)	4.9	(144.6)
Profit/(loss) after tax	394.3	(1,257.5)	(863.2)	351.1	(2,185.1)	(1,834.0)	961.1	(3,612.9)	(2,651.8)
Attributable to:									
Shareholders of the Company (<i>note 7</i>)	394.4	(1,259.3)	(864.9)	352.8	(2,180.4)	(1,827.6)	963.3	(3,610.7)	(2,647.4)
Non-controlling interests	(0.1)	1.8	1.7	(1.7)	(4.7)	(6.4)	(2.2)	(2.2)	(4.4)
	394.3	(1,257.5)	(863.2)	351.1	(2,185.1)	(1,834.0)	961.1	(3,612.9)	(2,651.8)
	US¢		US¢	US¢		US¢	US¢		US¢
Earnings/(loss) per share (<i>note 8</i>)	16.90		(37.06)	15.12		(78.31)	41.27		(113.43)

Hongkong Land Holdings Limited
Consolidated Statement of Comprehensive Income

	2021	(unaudited) Six months ended 30th June 2020	Year ended 31st December 2020
	US\$m	US\$m	US\$m
Loss for the period	(863.2)	(1,834.0)	(2,651.8)
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	-	-	1.7
Tax on items that will not be reclassified	-	-	(0.3)
	-	-	1.4
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences - net (loss)/gain arising during the period	(55.9)	42.4	400.9
Cash flow hedges			
- net (loss)/gain arising during the period	(7.5)	3.7	(20.8)
- transfer to profit and loss	(0.2)	(0.8)	(0.4)
	(7.7)	2.9	(21.2)
Tax relating to items that may be reclassified	1.3	(0.5)	3.5
Share of other comprehensive income/(expense) of associates and joint ventures	5.8	(127.4)	242.4
	(56.5)	(82.6)	625.6
Other comprehensive (expense)/income for the period, net of tax	(56.5)	(82.6)	627.0
Total comprehensive expense for the period	(919.7)	(1,916.6)	(2,024.8)
Attributable to:			
Shareholders of the Company	(922.2)	(1,908.8)	(2,025.1)
Non-controlling interests	2.5	(7.8)	0.3
	(919.7)	(1,916.6)	(2,024.8)

Hongkong Land Holdings Limited
Consolidated Balance Sheet

	2021	(unaudited) At 30th June	At 31st December
	US\$m	2020 US\$m	2020 US\$m
Net operating assets			
Fixed assets	126.0	121.9	125.2
Right-of-use assets	10.2	11.2	12.4
Investment properties (<i>note 10</i>)	28,814.7	35,835.7	30,083.3
Associates and joint ventures (<i>note 11</i>)	8,990.6	6,839.9	8,921.2
Non-current debtors	29.9	60.9	42.0
Deferred tax assets	42.0	16.0	35.5
Pension assets	0.6	0.1	0.7
Non-current assets	38,014.0	42,885.7	39,220.3
Properties for sale	2,304.3	1,975.9	1,948.8
Current debtors	995.7	847.9	1,081.7
Current tax assets	34.5	31.7	14.4
Bank balances	2,352.9	927.6	1,996.6
Current assets	5,687.4	3,783.1	5,041.5
Current creditors	(2,241.8)	(3,740.9)	(1,572.0)
Current borrowings (<i>note 12</i>)	(906.5)	(362.8)	(689.5)
Current tax liabilities	(158.5)	(158.1)	(153.0)
Current liabilities	(3,306.8)	(4,261.8)	(2,414.5)
Net current assets/(liabilities)	2,380.6	(478.7)	2,627.0
Long-term borrowings (<i>note 12</i>)	(5,708.7)	(6,192.9)	(5,875.4)
Deferred tax liabilities	(204.0)	(202.1)	(195.8)
Pension liabilities	(1.8)	(2.2)	(1.3)
Non-current creditors	(35.6)	(23.5)	(36.3)
	34,444.5	35,986.3	35,738.5
Total equity			
Share capital	233.4	233.4	233.4
Share premium	257.3	257.3	257.3
Revenue and other reserves	33,922.8	35,473.9	35,218.4
Shareholders' funds	34,413.5	35,964.6	35,709.1
Non-controlling interests	31.0	21.7	29.4
	34,444.5	35,986.3	35,738.5

Hongkong Land Holdings Limited
Consolidated Statement of Changes in Equity

	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
Six months ended 30th June 2021 (unaudited)								
At 1st January 2021	233.4	257.3	34,881.2	(21.6)	358.8	35,709.1	29.4	35,738.5
Total comprehensive (expense)/income	-	-	(864.9)	(0.5)	(56.8)	(922.2)	2.5	(919.7)
Dividends paid by the Company (note 9)	-	-	(373.4)	-	-	(373.4)	(0.9)	(374.3)
At 30th June 2021	<u>233.4</u>	<u>257.3</u>	<u>33,642.9</u>	<u>(22.1)</u>	<u>302.0</u>	<u>34,413.5</u>	<u>31.0</u>	<u>34,444.5</u>
Six months ended 30th June 2020 (unaudited)								
At 1st January 2020	233.4	257.3	38,039.8	8.3	(292.0)	38,246.8	43.0	38,289.8
Total comprehensive expense	-	-	(1,827.6)	(8.4)	(72.8)	(1,908.8)	(7.8)	(1,916.6)
Dividends paid by the Company (note 9)	-	-	(373.4)	-	-	(373.4)	(0.5)	(373.9)
Disposal of a subsidiary	-	-	-	-	-	-	(13.0)	(13.0)
At 30th June 2020	<u>233.4</u>	<u>257.3</u>	<u>35,838.8</u>	<u>(0.1)</u>	<u>(364.8)</u>	<u>35,964.6</u>	<u>21.7</u>	<u>35,986.3</u>
Year ended 31st December 2020								
At 1st January 2020	233.4	257.3	38,039.8	8.3	(292.0)	38,246.8	43.0	38,289.8
Total comprehensive (expense)/income	-	-	(2,646.0)	(29.9)	650.8	(2,025.1)	0.3	(2,024.8)
Dividends paid by the Company	-	-	(513.4)	-	-	(513.4)	-	(513.4)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(0.9)	(0.9)
Unclaimed dividends forfeited	-	-	0.8	-	-	0.8	-	0.8
Disposal of a subsidiary	-	-	-	-	-	-	(13.0)	(13.0)
At 31st December 2020	<u>233.4</u>	<u>257.3</u>	<u>34,881.2</u>	<u>(21.6)</u>	<u>358.8</u>	<u>35,709.1</u>	<u>29.4</u>	<u>35,738.5</u>

Hongkong Land Holdings Limited
Consolidated Cash Flow Statement

	(unaudited) Six months ended 30th June 2021 US\$m	2020 US\$m	Year ended 31st December 2020 US\$m
Operating activities			
Operating loss	(838.9)	(1,632.1)	(2,483.4)
Depreciation and amortisation	7.7	7.4	15.3
Change in fair value of investment properties	1,248.8	2,062.9	3,443.4
Gain on disposal of subsidiaries	-	(6.2)	(7.2)
(Increase)/decrease in properties for sale	(353.7)	(51.4)	164.2
Decrease in debtors	79.2	206.2	19.1
Increase in creditors	708.3	129.9	162.5
Interest received	20.1	20.1	42.3
Interest and other financing charges paid	(109.3)	(113.4)	(220.1)
Tax paid	(79.3)	(153.7)	(267.9)
Dividends from associates and joint ventures	39.6	36.3	112.9
Cash flows from operating activities	722.5	506.0	981.1
Investing activities			
Major renovations expenditure	(50.1)	(59.1)	(129.1)
Developments capital expenditure	(1.5)	(4,488.0)	(4,499.1)
(Investments in and advances to)/repayment from associates and joint ventures	(34.5)	96.7	599.0
Advance received on conditional disposal of a subsidiary	-	2,252.0	-
Proceeds received for disposal of subsidiaries	-	47.7	4,619.0
Deposits refunded for disposal of subsidiaries	-	-	(2,005.7)
Cash flows from investing activities	(86.1)	(2,150.7)	(1,415.9)
Financing activities			
Drawdown of borrowings	593.8	2,481.7	3,726.9
Repayment of borrowings	(505.1)	(925.6)	(2,268.8)
Principal elements of lease payments	(1.4)	(2.1)	(4.6)
Dividends paid by the Company	(369.4)	(367.1)	(509.6)
Dividends paid to non-controlling shareholders	(0.9)	(0.1)	(0.9)
Cash flows from financing activities	(283.0)	1,186.8	943.0
Net cash inflow/(outflow)	353.4	(457.9)	508.2
Cash and cash equivalents at beginning of period	1,990.4	1,418.0	1,418.0
Effect of exchange rate changes	5.7	(35.1)	64.2
Cash and cash equivalents at end of period	2,349.5	925.0	1,990.4

Hongkong Land Holdings Limited
Notes to Condensed Financial Statements

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on a going concern basis. The condensed financial statements have not been audited or reviewed by the Group's auditors pursuant to the UK Auditing Practices Board guidance on the review of interim financial information.

There are no changes to the accounting policies as described in the 2020 annual financial statements and the Group has not early adopted any standard or amendments that have been issued but not yet effective, except as mentioned below.

Interest rate benchmark reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (effective 1st January 2021).

The amendments provide practical expedient from certain requirements under the IFRSs as a result of the reform which affect the measurement of financial assets, financial liabilities and lease liabilities, and a number of reliefs for hedging relationships. The Group applied the amendments from 1st January 2021 and there is no significant impact on the Group's consolidated financial statements.

2. REVENUE

	Six months ended 30th June	
	2021	2020
	US\$m	US\$m
Rental income	469.8	466.5
Service income	83.3	67.6
Sales of properties		
- recognised at a point in time	46.0	102.0
- recognised over time	286.7	184.1
	332.7	286.1
	885.8	820.2
<i>By business</i>		
Investment Properties	541.9	530.3
Development Properties	343.9	289.9
	885.8	820.2

3. NET OPERATING COSTS

	Six months ended 30th June	
	2021	2020
	US\$m	US\$m
Cost of sales	(383.9)	(321.8)
Other income	4.5	6.7
Asset impairment reversal	0.5	-
Gain on disposal of a subsidiary	-	6.2
Administrative expenses	(97.0)	(80.5)
	<u>(475.9)</u>	<u>(389.4)</u>

4. OPERATING PROFIT/(LOSS)

	Six months ended 30th June	
	2021	2020
	US\$m	US\$m
<i>By business</i>		
Investment Properties	431.7	432.2
Development Properties	21.2	35.9
Corporate	(43.5)	(37.3)
Underlying business performance	409.4	430.8
Change in fair value of investment properties	(1,248.8)	(2,062.9)
Asset impairment reversal	0.5	-
	<u>(838.9)</u>	<u>(1,632.1)</u>

5. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Six months ended 30th June	
	2021	2020
	US\$m	US\$m
<i>By business</i>		
Investment Properties		
- operating profit	70.6	60.7
- net financing charges	(16.3)	(20.2)
- tax	(8.7)	(7.6)
- net profit	45.6	32.9
Development Properties		
- operating profit	120.8	41.4
- net financing charges	(4.3)	(6.2)
- tax	(40.4)	(19.7)
- non-controlling interests	(1.6)	(3.2)
- net profit	74.5	12.3
Underlying business performance	120.1	45.2
Change in fair value of investment properties (net of deferred tax)	(4.4)	(134.5)
	115.7	(89.3)

6. TAX

	Six months ended 30th June	
	2021	2020
	US\$m	US\$m
Tax charged to profit and loss is analysed as follows:		
Current tax	(62.9)	(40.8)
Deferred tax		
- changes in fair value of investment properties	(4.8)	12.3
- other temporary differences	0.8	(20.9)
	(66.9)	(49.4)
Tax relating to components of other comprehensive income or expense is analysed as follows:		
Cash flow hedges	1.3	(0.5)

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\$52.7 million (2020: US\$18.8 million) is included in share of results of associates and joint ventures.

7. NON-TRADING ITEMS

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties; gains and losses arising from the sale of businesses and investment properties; impairment of non-depreciable intangible assets; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

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

	Six months ended 30th June	
	2021 US\$m	2020 US\$m
Change in fair value of investment properties	(1,248.8)	(2,062.9)
Deferred tax on change in fair value of investment properties	(4.8)	12.3
Share of change in fair value of investment properties of associates and joint ventures (net of deferred tax)	(4.4)	(134.5)
Asset impairment reversal	0.5	-
Non-controlling interests	(1.8)	4.7
	<u>(1,259.3)</u>	<u>(2,180.4)</u>

8. EARNINGS PER SHARE

Earnings per share are calculated on loss attributable to shareholders of US\$864.9 million (2020: US\$1,827.6 million) and on the weighted average number of 2,333.9 million (2020: 2,333.9 million) shares in issue during the period.

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

	Six months ended 30th June			
	2021		2020	
	US\$m	Earnings per share US¢	US\$m	Earnings per share US¢
Underlying profit attributable to shareholders	394.4	16.90	352.8	15.12
Non-trading items (note 7)	<u>(1,259.3)</u>		<u>(2,180.4)</u>	
Loss attributable to shareholders	<u>(864.9)</u>	<u>(37.06)</u>	<u>(1,827.6)</u>	(78.31)

9. DIVIDENDS

	Six months ended 30th June	
	2021	2020
	US\$m	US\$m
Final dividend in respect of 2020 of US¢16.00 (2019: US¢16.00) per share	<u>373.4</u>	<u>373.4</u>

An interim dividend in respect of 2021 of US¢6.00 (2020: US¢6.00) per share amounting to a total of US\$140.0 million (2020: US\$140.0 million) is declared by the Board and will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2021.

10. INVESTMENT PROPERTIES

	Six months ended 30th June		Year ended 31st December
	2021	2020	2020
	US\$m	US\$m	US\$m
At beginning of period	30,083.3	33,191.2	33,191.2
Exchange differences	(45.9)	154.3	635.8
Additions	26.1	4,553.1	4,621.3
Disposal of subsidiaries	-	-	(4,921.6)
Decrease in fair value	(1,248.8)	(2,062.9)	(3,443.4)
At end of period	<u>28,814.7</u>	<u>35,835.7</u>	<u>30,083.3</u>

11. ASSOCIATES AND JOINT VENTURES

	At 30th June		At 31st December
	2021	2020	2020
	US\$m	US\$m	US\$m
<i>By business</i>			
Investment Properties	4,907.3	3,540.0	5,132.1
Development Properties	4,083.3	3,299.9	3,789.1
	<u>8,990.6</u>	<u>6,839.9</u>	<u>8,921.2</u>

12. BORROWINGS

	2021 US\$m	At 30th June 2020 US\$m	At 31st December 2020 US\$m
<i>Current</i>			
Bank overdrafts	3.4	2.6	6.2
Bank loans	62.4	317.3	100.3
Current portion of long-term borrowings			
- bank loans	218.9	42.9	516.8
- medium term notes	621.8	-	66.2
	906.5	362.8	689.5
<i>Long-term</i>			
Bank loans	2,339.5	2,401.8	1,939.1
Medium term notes			
- due 2021	-	66.7	-
- due 2022	65.0	623.9	622.7
- due 2023	179.9	180.1	180.1
- due 2024	411.0	416.1	414.3
- due 2025	645.4	647.0	646.2
- due 2026	38.6	38.8	38.8
- due 2027	186.7	186.8	186.8
- due 2028	183.2	183.5	183.5
- due 2029	121.8	121.9	121.9
- due 2030	697.9	697.6	697.9
- due 2031	25.5	25.5	25.5
- due 2032	140.6	140.7	140.8
- due 2033	89.5	89.6	89.6
- due 2034	77.4	77.5	77.5
- due 2035	254.6	51.1	254.9
- due 2038	109.5	105.6	111.3
- due 2039	110.5	106.6	112.4
- due 2040	32.1	32.1	32.1
	3,369.2	3,791.1	3,936.3
	5,708.7	6,192.9	5,875.4
	6,615.2	6,555.7	6,564.9

13. FINANCIAL INSTRUMENTS

Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 30th June 2021 and 31st December 2020 are as follows:

	Fair value of hedging instruments US\$m	Financial assets at amortised costs US\$m	Other financial liabilities at amortised costs US\$m	Total carrying amount US\$m	Fair value US\$m
30th June 2021					
Financial assets measured at fair value					
Derivative financial instruments	24.5	-	-	24.5	24.5
Financial assets not measured at fair value					
Debtors	-	248.5	-	248.5	248.5
Bank balances	-	2,352.9	-	2,352.9	2,352.9
	-	2,601.4	-	2,601.4	2,601.4
Financial liabilities measured at fair value					
Derivative financial instruments	(18.2)	-	-	(18.2)	(18.2)
Financial liabilities not measured at fair value					
Borrowings	-	-	(6,615.2)	(6,615.2)	(6,910.5)
Trade and other payable excluding non-financial liabilities	-	-	(886.0)	(886.0)	(886.0)
	-	-	(7,501.2)	(7,501.2)	(7,796.5)
31st December 2020					
Financial assets measured at fair value					
Derivative financial instruments	33.4	-	-	33.4	33.4
Financial assets not measured at fair value					
Debtors	-	242.3	-	242.3	242.3
Bank balances	-	1,996.6	-	1,996.6	1,996.6
	-	2,238.9	-	2,238.9	2,238.9
Financial liabilities measured at fair value					
Derivative financial instruments	(16.1)	-	-	(16.1)	(16.1)
Financial liabilities not measured at fair value					
Borrowings	-	-	(6,564.9)	(6,564.9)	(6,904.0)
Trade and other payable excluding non-financial liabilities	-	-	(802.4)	(802.4)	(802.4)
	-	-	(7,367.3)	(7,367.3)	(7,706.4)

- more -

13. FINANCIAL INSTRUMENTS *(continued)*

Fair value estimation

(a) Financial instruments that are measured at fair value based on observable current market transactions

	At 30th June 2021 US\$m	At 31st December 2020 US\$m
Assets		
Derivative financial instruments at fair value		
- through other comprehensive income	6.3	9.7
- through profit and loss	18.2	23.7
	24.5	33.4
Liabilities		
Derivative financial instruments at fair value		
- through other comprehensive income	(18.2)	(16.1)

The fair values of derivative financial instruments are determined using rates quoted by the Group's bankers at the balance sheet date. The rates for interest rate swaps and forward foreign exchange contracts are calculated by reference to market interest rates and foreign exchange rates.

There were no changes in valuation techniques during the six months ended 30th June 2021 and the year ended 31st December 2020.

(b) Financial instruments that are not measured at fair value

The fair values of current debtors, bank balances, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings are based on market prices or are estimated using the expected future payments discounted at market interest rates.

14. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 30th June 2021 and 31st December 2020 amounted to US\$1,109.3 million and US\$828.8 million, respectively.

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 condensed financial statements.

15. RELATED PARTY TRANSACTIONS

Jardine Strategic Limited ('JSL') became the parent company of the Group following the completion of the simplification of the Group's parent company structure in April 2021. Jardine Strategic Holdings Limited and JMH Bermuda Limited, a wholly-owned subsidiary of the Group's ultimate parent company, Jardine Matheson Holdings Limited ('JMH'), amalgamated under the Bermuda Companies Act to form JSL, a wholly-owned subsidiary of JMH. Both JMH and JSL are incorporated in Bermuda.

In the normal course of business, the Group has entered into a variety of transactions with the subsidiaries, associates and joint ventures of JMH ('Jardine Matheson group members'). The more significant of these transactions during the six months ended 30th June 2021 are described below:

Management fee

The management fee payable by the Group, under an agreement entered into in 1995, to Jardine Matheson Limited ('JML') was US\$2.0 million (2020: US\$1.8 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 amounted to US\$9.5 million (2020: US\$10.3 million).

The Group provided project management services and property management services to Jardine Matheson group members amounting to US\$1.1 million (2020: US\$1.3 million).

Jardine Matheson group members provided property maintenance and other services to the Group in aggregate amounting to US\$22.8 million (2020: US\$25.1 million).

Hotel management services

Jardine Matheson group members provided hotel management services to the Group amounting to US\$1.2 million (2020: US\$0.4 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.

Hongkong Land Holdings Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The following have been identified previously as the areas of principal risk and uncertainty facing the Company, and they remain unchanged:

- Economic Risk
- Commercial Risk and Financial Risk
- Regulatory and Political Risk
- Pandemic, Natural Disasters, Climate Change and Terrorism
- Cybersecurity Risk

For greater detail, please refer to page 93 of the Company's Annual Report for 2020, a copy of which is available on the Company's website www.hkland.com.

Responsibility Statement

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

- (a) the condensed financial statements have been prepared in accordance with IAS 34; and
- (b) the interim management report includes a fair review of all information required to be disclosed by the Disclosure Guidance and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Robert Wong
Simon Dixon

Directors

Dividend Information for Shareholders

The interim dividend of US\$6.00 per share will be payable on 13th October 2021 to shareholders on the register of members at the close of business on 20th August 2021. The shares will be quoted ex-dividend on 19th August 2021, and the share registers will be closed from 23rd to 27th August 2021, inclusive.

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

Shareholders on the Jersey branch register

Shareholders registered on the Jersey branch register will have the option to elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2021 interim dividend by notifying the United Kingdom transfer agent in writing by 24th September 2021. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 29th September 2021.

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

Hongkong Land Holdings Limited
Dividend Information for Shareholders *(continued)*

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

Shareholders who are on CDP's Direct Crediting Service ('DCS')

Those shareholders who are on CDP's DCS will receive their cash dividends in Singapore Dollars unless they opt out of CDP Currency Conversion Service, through CDP, to receive United States Dollars.

Shareholders who are **not on** CDP's DCS

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

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 20th August 2021, 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 August 2021.

About 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 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.

For further information, please contact:

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As permitted by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in the United Kingdom, the Company will not be posting a printed version of the Half-Yearly Results announcement to shareholders. The Half-Yearly Results announcement will remain available on the Company's website, www.hkland.com, together with other Group announcements.