

Announcement

24 April 2025

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

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

HONGKONG LAND HOLDINGS LIMITED

HONGKONG LAND TO SELL 147,025 SQUARE FEET OF ONE EXCHANGE SQUARE TO HKEX FOR HK\$6.3 BILLION (US\$810 MILLION) AND COMMENCE SHARE BUYBACK PROGRAMME

Overview

Hongkong Land Holdings Limited (**'Hongkong Land'** or the **'Company'**) announces today that Hong Kong Exchanges and Clearing Limited (**'HKEX'**) has contracted to acquire the top nine floors of One Exchange Square (Levels 42-50) as its permanent headquarters in Hong Kong, together with the current retail space on Levels 1 & 2 of One Exchange Square (together, the **'Property'**). The retail space, which will be enhanced to become an immersive, experience-led entrance lobby for HKEX, will also provide direct connectivity to the Connect Hall and the top floors of the building, which also form part of the transaction. The transaction includes certain planned enhancements to the Property and Exchange Square, which Hongkong Land will project manage. These enhancements, which are subject to the customary government department approvals, are expected to be completed in phases over the next few years.

The partnership between Hongkong Land and an HKEX subsidiary began in 1986 with the completion of Exchange Square. The name 'Exchange Square' was chosen to reflect its primary purpose of housing the stock exchange and serving as the backbone of financial markets in Hong Kong. This transaction demonstrates Hongkong Land's long-term vision and further reinforces Central's position at the heart of Hong Kong's financial centre.

In addition to this transaction, HKEX will also enter into a new long-term lease for circa 63,000 lettable square feet in Two Exchange Square with respect to space currently occupied by HKEX. Together, this represents a modest increase in HKEX's total footprint in Exchange Square.

Permanently securing HKEX's presence in One Exchange Square will further strengthen Central's interconnected financial ecosystem, attracting continued investment into Hong Kong's core financial and business district.

Principal Terms

Under two Sale and Purchase Agreements (dated today's date), two Hongkong Land wholly-owned subsidiaries and HKEX have agreed to pursue the strata title acquisition in phases. Total cash proceeds of HK\$6.3 billion (US\$810 million) will be received over time as individual floors are handed over to HKEX. Approximately 45% of gross sale proceeds are expected to be received in 2025, and the balance of 55% in 2026. Hongkong Land will contribute up to HK\$400 million towards planned enhancements to the Property, with the costs expected to be incurred over the next few years. The parties have also entered into several other ancillary agreements that regulate their relationship as this transaction progresses. Hongkong Land will continue to earn rental income until the individual floor spaces are sold.

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Valuation Analysis and Financial Impact

Total purchase price: HK\$6.3 billion (US\$810 million)

Total saleable floor area: 147,025 square feet

The purchase price of the Property was determined after arm's length negotiations between the parties, with the net sale proceeds reflecting the carrying value of the Property by Hongkong Land as of 31 December 2024. The carrying value was based on a market valuation of the Property prepared by an independent valuation firm.

This transaction is expected to be earnings accretive, as the majority of the proceeds will be used to reduce net debt and lower net financing costs, more than offsetting the loss of rental income.

The Property represents 3.2% of the total value of the Group's Central portfolio, using the carrying value as at 31 December 2024.

Use of Proceeds

The Company plans to use up to 6.3% of the gross sale proceeds to provide enhancements to the Property and use the remaining proceeds from this transaction in two ways: (i) 80% for the reduction of net debt; and (ii) 20% for a share buyback.

Share Buyback

In line with our recently announced corporate strategy, the Company announces its intention to return capital to shareholders by way of a share buyback programme of up to US\$200 million, which will be financed using proceeds from this transaction as well as other capital recycling activities carried out during the financial year ended 31 December 2024 (the '**Buyback Programme**'). The Buyback Programme will extend through to 31 December 2025. The Buyback Programme aims to reduce the company's share capital with repurchased shares being cancelled. The Company's ordinary shares will be repurchased by the Company in accordance with powers under the Bermuda Companies Act and the constitution of the Company.

About HKEX

HKEX is a publicly-traded company (HKEX Stock Code: 388) and one of the world's leading global exchange groups, offering a range of equity, derivative, commodity, fixed income and other financial markets, products and services, including the London Metal Exchange.

As a superconnector and gateway between East and West, HKEX facilitates the two-way flow of capital, ideas and dialogue between China and the rest of the world, through its pioneering Connect schemes, increasingly diversified product ecosystem and its deep, liquid and international markets.

HKEX is a purpose-led organisation which, across its business and through the work of HKEX Foundation, seeks to connect, promote and progress its markets and the communities it supports for the prosperity of all.

Hongkong Land

Hongkong Land is a major listed property investment, management and development group. Founded in 1889, it is a market leader in the development of experience-led city

centres that unlock value for generations by combining innovation, placemaking, exceptional hospitality and sustainability.

The Group focuses on developing, owning and managing ultra-premium mixed-use real estate in Asian gateway cities, featuring Grade A office, luxury retail, residential and hospitality products. Its mixed-use real estate footprint spans more than 830,000 sq. m., with flagship projects in Hong Kong, Singapore and Shanghai. Its properties hold industry-leading green building certifications and attract the world's foremost companies and luxury brands.

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

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

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

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This and other Group announcements can be accessed via the Hongkong Land corporate website at 'www.hkland.com'.