

Preliminary Financial Statements

Consolidated Profit and Loss Account

for the year ended 31st December 2024

		2024			2023		
	Note	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	3	2,002.1	-	2,002.1	1,844.3	-	1,844.3
Net operating costs	4	(1,417.9)	(8.3)	(1,426.2)	(1,050.0)	16.6	(1,033.4)
Change in fair value of investment properties	9	-	(1,887.6)	(1,887.6)	-	(1,323.5)	(1,323.5)
Operating (loss)/profit		584.2	(1,895.9)	(1,311.7)	794.3	(1,306.9)	(512.6)
Net financing charges	5						
- financing charges		(245.0)	-	(245.0)	(265.9)	-	(265.9)
- financing income		78.8	-	78.8	81.5	-	81.5
		(166.2)	-	(166.2)	(184.4)	-	(184.4)
Share of results of associates and joint ventures	6						
- before change in fair value of investment properties		115.0	-	115.0	234.7	-	234.7
- change in fair value of investment properties	9	-	139.2	139.2	-	18.0	18.0
		115.0	139.2	254.2	234.7	18.0	252.7
(Loss)/profit before tax		533.0	(1,756.7)	(1,223.7)	844.6	(1,288.9)	(444.3)
Tax	7	(120.7)	(31.4)	(152.1)	(107.2)	(25.6)	(132.8)
(Loss)/profit after tax		412.3	(1,788.1)	(1,375.8)	737.4	(1,314.5)	(577.1)
Attributable to:							
Shareholders of the Company		409.6	(1,794.5)	(1,384.9)	734.2	(1,316.5)	(582.3)
Non-controlling interests		2.7	6.4	9.1	3.2	2.0	5.2
		412.3	(1,788.1)	(1,375.8)	737.4	(1,314.5)	(577.1)
		US¢		US¢	US¢		US¢
(Loss)/earnings per share	8						
- basic		18.56		(62.76)	33.15		(26.29)
- diluted		18.55		(62.76)	33.15		(26.29)

Consolidated Statement of Comprehensive Income

for the year ended 31st December 2024

	Note	2024 US\$m	2023 US\$m
Loss for the year		(1,375.8)	(577.1)
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans		0.3	0.7
Tax on items that will not be reclassified	7	-	(0.1)
		0.3	0.6
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net gain/(loss) arising during the year		75.2	(82.2)
- transfer to profit and loss		3.2	0.6
		78.4	(81.6)
Cash flow hedges			
- net gain/(loss) arising during the year		12.2	(53.1)
- transfer to profit and loss		(3.2)	(2.2)
		9.0	(55.3)
Tax relating to items that may be reclassified	7	(1.5)	9.1
Share of other comprehensive expense of associates and joint ventures	12	(246.3)	(59.1)
		(160.4)	(186.9)
Other comprehensive expense for the year, net of tax		(160.1)	(186.3)
Total comprehensive expense for the year		(1,535.9)	(763.4)
Attributable to:			
Shareholders of the Company		(1,542.4)	(767.4)
Non-controlling interests		6.5	4.0
		(1,535.9)	(763.4)

Consolidated Balance Sheet

at 31st December 2024

	Note	2024 US\$m	2023 US\$m
Net operating assets			
Fixed assets	10	203.2	99.7
Right-of-use assets	10	104.4	12.1
Investment properties	11	24,759.9	26,687.2
Associates and joint ventures	12	10,046.2	10,585.2
Non-current debtors	13	11.5	14.2
Deferred tax assets	14	53.5	113.3
Pension assets		0.9	1.0
Non-current assets		35,179.6	37,512.7
Properties for sale	15	2,359.7	2,926.1
Current debtors	13	349.0	374.1
Current tax assets		36.4	60.4
Bank balances	16	1,073.4	1,195.6
Assets classified as held for sale	17	54.3	-
Current assets		3,872.8	4,556.2
Current creditors	18	(1,642.4)	(2,155.1)
Current borrowings	19	(823.7)	(781.6)
Current tax liabilities		(110.4)	(189.8)
Current liabilities		(2,576.5)	(3,126.5)
Net current assets		1,296.3	1,429.7
Long-term borrowings	19	(5,341.6)	(5,785.3)
Deferred tax liabilities	14	(249.9)	(249.1)
Pension liabilities		-	(0.1)
Non-current creditors	18	(915.9)	(920.6)
		29,968.5	31,987.3
Total equity			
Share capital	20	220.7	220.7
Revenue and other reserves		29,719.4	31,744.7
Shareholders' funds		29,940.1	31,965.4
Non-controlling interests		28.4	21.9
		29,968.5	31,987.3

Approved by the Board of Directors

Michael Smith

Craig Beattie

Directors

7th March 2025

Consolidated Statement of Changes in Equity

for the year ended 31st December 2024

	Share capital	Capital reserves	Revenue reserves	Hedging reserves	Exchange reserves	Attributable to shareholders of the Company	Attributable to non-controlling interests	Total equity
<i>Note</i>	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
2024								
At 1st January	220.7	-	32,299.5	(57.7)	(497.1)	31,965.4	21.9	31,987.3
Total comprehensive expense	-	-	(1,384.6)	(0.1)	(157.7)	(1,542.4)	6.5	(1,535.9)
Dividends paid by the Company	22	-	(485.5)	-	-	(485.5)	-	(485.5)
Share-based incentives	21	-	1.4	-	-	1.4	-	1.4
Unclaimed dividends forfeited	-	-	1.2	-	-	1.2	-	1.2
At 31st December	220.7	1.4	30,430.6	(57.8)	(654.8)	29,940.1	28.4	29,968.5
2023								
At 1st January	222.7	-	33,449.8	(3.0)	(366.1)	33,303.4	23.7	33,327.1
Total comprehensive expense	-	-	(581.7)	(54.7)	(131.0)	(767.4)	4.0	(763.4)
Dividends paid by the Company	22	-	(488.7)	-	-	(488.7)	-	(488.7)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(0.6)	(0.6)
Unclaimed dividends forfeited	-	-	1.3	-	-	1.3	-	1.3
Repurchase of shares	(2.0)	-	(81.2)	-	-	(83.2)	-	(83.2)
Disposal of subsidiaries	-	-	-	-	-	-	(5.2)	(5.2)
At 31st December	220.7	-	32,299.5	(57.7)	(497.1)	31,965.4	21.9	31,987.3

Consolidated Cash Flow Statement

for the year ended 31st December 2024

	<i>Note</i>	2024 US\$m	2023 US\$m
Operating activities			
Operating loss		(1,311.7)	(512.6)
Depreciation	4	12.7	16.5
Change in fair value of investment properties	11	1,887.6	1,323.5
Gain on acquisition of subsidiaries	4	-	(31.6)
Net gain on disposal of subsidiaries and joint ventures	4	(9.6)	(15.9)
Loss on disposal of an investment property	4	10.3	-
Exchange reserve loss realised on distribution	4	7.6	-
Loss on measurement of the disposal group	4	13.5	-
Decrease in properties for sale		752.1	187.5
Decrease in debtors		86.7	83.0
(Decrease)/increase in creditors		(547.9)	8.2
Interest received		65.3	46.4
Interest and other financing charges paid		(245.8)	(251.2)
Tax paid		(147.3)	(287.3)
Dividends from associates and joint ventures		97.1	135.1
Cash flows from operating activities		670.6	701.6
Investing activities			
Major renovations expenditure		(78.5)	(85.3)
Repayments from associates and joint ventures	23 (a)	259.2	1,018.3
Investments in associates and joint ventures	23 (a)	(16.9)	(401.4)
Advances to associates and joint ventures	23 (a)	(111.5)	(377.8)
Disposal of subsidiaries		-	29.3
Disposal of joint ventures		-	8.5
Acquisition of subsidiaries		13.8	(30.9)
Disposal of an investment property		15.5	-
Cash flows from investing activities		81.6	160.7
Financing activities			
Drawdown of borrowings	19	2,371.0	2,121.9
Repayment of borrowings	19	(2,737.3)	(2,569.5)
Repayments to associates and joint ventures	23 (a)	(26.6)	(56.5)
Advances from associates and joint ventures	23 (a)	95.5	165.0
Principal elements of lease payments		(2.7)	(3.4)
Repurchase of shares		-	(83.2)
Dividends paid by the Company		(478.2)	(486.2)
Dividends paid to non-controlling shareholders		-	(0.6)
Cash flows from financing activities		(778.3)	(912.5)
Net cash outflow		(26.1)	(50.2)
Cash and cash equivalents at 1st January		1,112.2	1,171.5
Effect of exchange rate changes		(18.9)	(9.1)
Cash and cash equivalents at 31st December	23 (b)	1,067.2	1,112.2

Notes to the Financial Statements

General Information

Hongkong Land Holdings Limited (the “Company”) is incorporated in Bermuda and has a primary listing in the equity share (transition) category of the London Stock Exchange, with secondary listings in Bermuda and Singapore. The address of the registered office is given on page []. The principal activities of the Company and its subsidiaries, and the nature of the Group’s operation are set out on pages [] to [] and Note 29 of the financial statements.

1 Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (‘IFRS Accounting Standards’), including International Accounting Standards (‘IAS’) and Interpretations as issued by the International Accounting Standards Board (‘IASB’). The financial statements have been prepared on a going concern basis and under the historical cost convention except as disclosed in the accounting policies.

Details of the Group’s material accounting policies are included in Note 30.

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

The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective (refer Note 31).

The principal operating subsidiaries, associates and joint ventures have different functional currencies in line with the economic environments of the locations in which they operate. The functional currency of the Company is United States dollars. The consolidated financial statements are presented in United States dollars.

The Group’s reportable segments are set out in Note 2 and are described on pages 8 to 9.

Notes to the Financial Statements

2 Segmental Information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive directors of the Company for the purpose of resource allocation and performance assessment. The Group comprises two operating segments which have been renamed as "Prime Properties Investment" and "Build-to-sell" (formerly "Investment Properties" and "Development Properties") to align with the new strategic direction. No operating segments have been aggregated to form the reportable segments. Set out below is an analysis of the Group's underlying profit and total equity by reportable segment.

	Prime Properties			Total US\$m
	Investment US\$m	Build-to-sell US\$m	Corporate US\$m	
2024				
Revenue	1,026.0	976.1	-	2,002.1
Net operating costs	(247.7)	(1,078.7)	(91.5)	(1,417.9)
Share of operating profit of associates and joint ventures	152.1	228.4	-	380.5
Underlying operating profit	930.4	125.8	(91.5)	964.7
Net financing charges				
- subsidiaries				(166.2)
- share of associates and joint ventures				(104.1)
				(270.3)
Tax				
- subsidiaries				(120.7)
- share of associates and joint ventures				(161.5)
				(282.2)
Non-controlling interests				
- subsidiaries				(2.7)
- share of associates and joint ventures				0.1
				(2.6)
Underlying profit attributable to shareholders				409.6
Non-trading items				
- change in fair value of investment properties, net of tax				(1,786.2)
- others				(8.3)
Loss attributable to shareholders				(1,384.9)
2023				
Revenue	1,082.5	761.8	-	1,844.3
Net operating costs	(248.8)	(707.5)	(93.7)	(1,050.0)
Share of operating profit of associates and joint ventures	150.4	218.2	-	368.6
Underlying operating profit	984.1	272.5	(93.7)	1,162.9
Net financing charges				
- subsidiaries				(184.4)
- share of associates and joint ventures				(84.1)
				(268.5)
Tax				
- subsidiaries				(107.2)
- share of associates and joint ventures				(49.8)
				(157.0)
Non-controlling interests				
- subsidiaries				(3.2)
Underlying profit attributable to shareholders				734.2
Non-trading items				
- change in fair value of investment properties, net of tax				(1,333.1)
- others				16.6
Loss attributable to shareholders				(582.3)

2 **Segmental Information** continued

	Revenue		Underlying operating profit		Underlying profit attributable to shareholders	
	2024	2023	2024	2023	2024	2023
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
By geographical location						
Hong Kong and Macau	898.8	960.1	739.9	788.1	739.9	788.1
Chinese mainland	1,032.1	806.6	73.4	206.8	67.4	201.1
Southeast Asia and others	71.2	77.6	242.9	261.7	243.1	260.8
Corporate, net financing charges and tax	-	-	(91.5)	(93.7)	(640.8)	(515.8)
	2,002.1	1,844.3	964.7	1,162.9	409.6	734.2
	Segment assets				Unallocated assets and liabilities	Total assets and liabilities
	Investment Properties	Properties for sale	Others	Segment liabilities	US\$m	US\$m
	US\$m	US\$m	US\$m	US\$m		
By business						
2024						
Prime Properties Investment	30,779.3	-	563.8	(670.4)	-	30,672.7
Build-to-sell	-	8,775.0	666.6	(2,058.0)	-	7,383.6
Unallocated assets and liabilities	-	-	-	-	(8,087.8)	(8,087.8)
	30,779.3	8,775.0	1,230.4	(2,728.4)	(8,087.8)	29,968.5
2023						
Prime Properties Investment	32,566.6	-	470.4	(707.1)	-	32,329.9
Build-to-sell	-	9,940.9	587.6	(2,877.4)	-	7,651.1
Unallocated assets and liabilities	-	-	-	-	(7,993.7)	(7,993.7)
	32,566.6	9,940.9	1,058.0	(3,584.5)	(7,993.7)	31,987.3
By geographical location						
2024						
Hong Kong and Macau	23,591.5	221.9	280.5	(436.9)	-	23,657.0
Chinese mainland	2,536.7	6,630.7	513.9	(1,887.4)	-	7,793.9
Southeast Asia and others	4,651.1	1,922.4	436.0	(404.1)	-	6,605.4
Unallocated assets and liabilities	-	-	-	-	(8,087.8)	(8,087.8)
	30,779.3	8,775.0	1,230.4	(2,728.4)	(8,087.8)	29,968.5
2023						
Hong Kong and Macau	25,520.3	210.1	159.8	(463.6)	-	25,426.6
Chinese mainland	2,382.5	8,138.6	495.3	(2,721.4)	-	8,295.0
Southeast Asia and others	4,663.8	1,592.2	402.9	(399.5)	-	6,259.4
Unallocated assets and liabilities	-	-	-	-	(7,993.7)	(7,993.7)
	32,566.6	9,940.9	1,058.0	(3,584.5)	(7,993.7)	31,987.3

Properties for sale include contract assets and cost to fulfil contracts. Unallocated assets and liabilities include tax assets and liabilities, bank balances and borrowings.

Notes to the Financial Statements

3 Revenue

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

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

The maturity analysis of lease payments, showing the undiscounted lease payments to be received over the remainder of the contractual lease term after the balance sheet date including the estimated impact on lease payments from contractual rent reviews are as follows:

	2024 US\$m	2023 US\$m
Within one year	715.2	768.0
Between one and two years	569.8	584.8
Between two and three years	429.8	440.3
Between three and four years	259.7	315.4
Between four and five years	186.4	176.5
Beyond five years	308.3	321.4
	2,469.2	2,606.4

Generally the Group's operating leases are for terms of three years or more.

Contract balances

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed, and are transferred to receivables when the rights become unconditional which usually occurs when the customers are billed.

Costs to fulfil contracts includes costs recognised to fulfil future performance obligations on existing contracts that have not yet been satisfied. Costs to obtain contracts include costs such as sale commissions and stamp duty paid, as a result of obtaining contracts. The Group has capitalised these costs which are recognised in the profit and loss when the related revenue is recognised.

Contract liabilities primarily relate to the advance consideration received from customers relating to properties for sale.

Contract assets and contract liabilities relating to properties for sale are further analysed as follows:

	2024 US\$m	2023 US\$m
Contract assets (see Note 13)	10.7	10.4
Contract liabilities (see Note 18)	(126.1)	(550.2)

3 Revenue *continued*

At 31st December 2024, costs to fulfil contracts and costs to obtain contracts amounted to US\$4.7 million (2023: US\$4.4 million) and US\$1.9 million (2023: US\$14.6 million), and US\$16.4 million (2023: US\$22.4 million) and US\$13.1 million (2023: US\$0.8 million) have been recognised in profit and loss during the year respectively.

Revenue recognised in relation to contract liabilities

Revenue recognised in the current year relating to carried forward contract liabilities:

	2024 US\$m	2023 US\$m
Properties for sale	540.0	384.0

Revenue expected to be recognised on unsatisfied contracts with customers

The timing of revenue to be recognised on unsatisfied performance obligations relating to properties for sale at 31st December 2024:

	2024 US\$m	2023 US\$m
Within one year	218.7	701.4
Between one and two years	5.2	60.0
	223.9	761.4

Notes to the Financial Statements

4 Net Operating Costs

	2024 US\$m	2023 US\$m
Cost of sales	(1,265.4)	(913.6)
Other income	70.0	54.3
Administrative expenses	(209.0)	(221.6)
Gain on acquisition of subsidiaries	-	31.6
Net gain on disposal of subsidiaries and joint ventures	9.6	15.9
Loss on disposal of an investment property	(10.3)	-
Loss on measurement of the disposal group	(13.5)	-
Exchange reserve loss realised on distribution	(7.6)	-
	(1,426.2)	(1,033.4)

The following charges are included in net operating costs:

Cost of properties for sale recognised as expense	(991.4)	(657.0)
Operating expenses arising from investment properties	(213.3)	(212.7)
Depreciation of fixed assets	(10.1)	(13.1)
Depreciation of right-of-use assets	(2.6)	(3.4)
Employee benefit expense		
- salaries and benefits in kind	(216.9)	(221.2)
- defined contribution pension plans	(4.4)	(5.5)
- defined benefit pension plans	(1.3)	(1.2)
	(222.6)	(227.9)
Auditors' remuneration		
- audit	(2.9)	(2.7)
- non-audit services	(0.4)	(0.5)
	(3.3)	(3.2)

The number of employees at 31st December 2024 was 3,063 (2023: 2,991).

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

5 Net Financing Charges

	2024 US\$m	2023 US\$m
Interest expense		
- bank loans and overdrafts	(93.6)	(109.9)
- other borrowings	(139.1)	(145.7)
Total interest expense	(232.7)	(255.6)
Interest capitalised	6.7	12.3
	(226.0)	(243.3)
Commitment and other fees and exchange differences	(19.0)	(22.6)
Financing charges	(245.0)	(265.9)
Financing income	78.8	81.5
	(166.2)	(184.4)

Financing charges and financing income are stated after taking into account hedging gains or losses.

6 Share of Results of Associates and Joint Ventures

	2024	2023
	US\$m	US\$m
By business		
Prime Properties Investment	84.3	82.5
Build-to-sell	30.7	152.2
Underlying business performance	115.0	234.7
Non-trading items:		
Change in fair value of investment properties	139.2	18.0
	254.2	252.7

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

The Group's share of revenue of associates and joint ventures was US\$1,907.9 million (2023: US\$1,747.7 million). The Build-to-sell business included a US\$178.2 million net provision after including a deferred tax credit (2023: US\$65.7 million). This arose due to the deterioration in market conditions that resulted in projected sales prices being lower than development costs. In 2023, the net profit also included a net gain of US\$50.4 million arising from acquisitions.

7 Tax

Tax charged to profit and loss is analysed as follows:

	2024	2023
	US\$m	US\$m
Current tax	(93.4)	(155.1)
Deferred tax		
- changes in fair value of investment properties	(25.8)	(15.2)
- other temporary differences	(32.9)	37.5
	(58.7)	22.3
	(152.1)	(132.8)

Reconciliation between tax expense and tax at applicable tax rate:

Tax at applicable tax rate	220.9	102.4
Change in fair value of investment properties not deductible in determining taxable profit	(317.2)	(236.8)
Income not subject to tax	18.6	24.4
Expenses not deductible in determining taxable profit	(22.4)	(25.1)
Withholding tax	(9.2)	(0.8)
Land appreciation tax in Chinese mainland	(5.7)	3.1
Tax losses arising in the year not recognised	(11.7)	(3.8)
Over provision in prior years	10.1	3.6
Temporary differences not recognised	(19.6)	0.8
Deferred tax assets written off	(17.0)	(1.8)
Others	1.1	1.2
	(152.1)	(132.8)

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

Remeasurements of defined benefit plans	-	(0.1)
Cash flow hedges	(1.5)	9.1
	(1.5)	9.0

The applicable tax rate for the year of 14.9% (2023: 14.7%) represents the weighted average of the rates of taxation prevailing in the territories in which the Group operates.

Notes to the Financial Statements

7 Tax continued

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

The Group is within the scope of the OECD Pillar Two model rules, and has applied the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes from 1st January 2023.

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Group operates. The legislation has become effective for the Group's financial year ended 31st December 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the latest financial information for the year ended 31st December 2024 of the constituent entities in the Group. Based on the assessment, the effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the effective tax rate is slightly below or close to 15%. The income tax expense related to Pillar Two income taxes in the relevant jurisdiction is assessed to be immaterial.

8 Earnings per Share

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

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

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

	2024			2023		
	US\$m	Basic earnings per share US¢	Diluted earnings per share US¢	US\$m	Basic earnings per share US¢	Diluted earnings per share US¢
Underlying profit attributable to shareholders	409.6	18.56	18.55	734.2	33.15	33.15
Non-trading items (see Note 9)	(1,794.5)			(1,316.5)		
Loss attributable to shareholders	(1,384.9)	(62.76)	(62.76)	(582.3)	(26.29)	(26.29)

9 Non-trading Items

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

	2024 US\$m	2023 US\$m
Change in fair value of investment properties	(1,887.6)	(1,323.5)
Tax on change in fair value of investment properties	(31.4)	(25.6)
Gain on disposal of subsidiaries	-	16.6
Loss on disposal of an investment property	(10.3)	-
Gain on disposal of a joint venture	9.6	-
Exchange reserve loss realised on distribution	(7.6)	-
Share of results of associates and joint ventures		
- change in fair value of investment properties	146.1	19.9
- tax on change in fair value of investment properties	(6.9)	(1.9)
	139.2	18.0
Non-controlling interests	(6.4)	(2.0)
	(1,794.5)	(1,316.5)

10 Fixed Assets and Right-of-use Assets

	Fixed Assets			Right-of-use Assets		
	Leasehold properties	Furniture, equipment and others	Total	Leasehold properties	Furniture, equipment and others	Total
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
2024						
Cost	95.0	69.7	164.7	6.5	12.6	19.1
Depreciation	(16.3)	(48.7)	(65.0)	(1.0)	(6.0)	(7.0)
Net book value at 1 January	78.7	21.0	99.7	5.5	6.6	12.1
Exchange differences	(1.8)	(0.3)	(2.1)	(0.2)	(0.3)	(0.5)
Additions	-	4.4	4.4	-	1.4	1.4
Disposals	-	(0.1)	(0.1)	-	(0.5)	(0.5)
Transfer from fixed assets to right-of-use assets	(0.3)	-	(0.3)	0.3	-	0.3
Transfer from investment properties (see Note 11)	111.7	-	111.7	94.2	-	94.2
Depreciation	(2.7)	(7.4)	(10.1)	(0.2)	(2.4)	(2.6)
Net book value at 31 December	185.6	17.6	203.2	99.6	4.8	104.4
Cost	361.7	73.1	434.8	108.7	12.9	121.6
Depreciation	(176.1)	(55.5)	(231.6)	(9.1)	(8.1)	(17.2)
	185.6	17.6	203.2	99.6	4.8	104.4
2023						
Cost	95.8	73.2	169.0	6.6	18.2	24.8
Depreciation	(13.9)	(43.3)	(57.2)	(0.7)	(11.1)	(11.8)
Net book value at 1 January	81.9	29.9	111.8	5.9	7.1	13.0
Exchange differences	(1.5)	(0.1)	(1.6)	(0.1)	(0.1)	(0.2)
Additions	1.0	2.2	3.2	-	5.8	5.8
Disposals	-	(0.6)	(0.6)	-	(3.1)	(3.1)
Depreciation	(2.7)	(10.4)	(13.1)	(0.3)	(3.1)	(3.4)
Net book value at 31 December	78.7	21.0	99.7	5.5	6.6	12.1
Cost	95.0	69.7	164.7	6.5	12.6	19.1
Depreciation	(16.3)	(48.7)	(65.0)	(1.0)	(6.0)	(7.0)
	78.7	21.0	99.7	5.5	6.6	12.1

During the year, space occupied in the Group's Hong Kong Central portfolio for own or alternative use (including corporate offices and Landmark Mandarin Oriental Hotel) were reclassified to fixed assets and right-of-use assets (see Note 11) which comprised cost of US\$269.0 million and US\$102.2 million and accumulated depreciation of US\$157.3 million and US\$8.0 million respectively.

Notes to the Financial Statements

11 Investment Properties

	Completed commercial properties (note a) US\$m	Under development commercial properties (note a) US\$m	Completed residential properties (note b) US\$m	Total US\$m
2024				
At 1st January	26,388.1	44.4	254.7	26,687.2
Exchange differences	110.9	-	2.3	113.2
Additions	76.9	-	0.2	77.1
Disposal	-	-	(12.7)	(12.7)
Transfer to fixed assets (see Note 10)	(111.7)	-	-	(111.7)
Transfer to right-of-use assets (see Note 10)	(94.2)	-	-	(94.2)
(Decrease)/increase in fair value	(1,891.3)	4.0	(0.3)	(1,887.6)
Classified as held for sale (see Note 17)	(11.4)	-	-	(11.4)
At 31st December	24,467.3	48.4	244.2	24,759.9
Freehold properties				114.8
Leasehold properties				24,645.1
				24,759.9
2023				
At 1st January	27,760.4	43.4	250.3	28,054.1
Exchange differences	(68.7)	-	(1.0)	(69.7)
Additions	49.6	-	-	49.6
Disposal of subsidiaries	(23.3)	-	-	(23.3)
(Decrease)/increase in fair value	(1,329.9)	1.0	5.4	(1,323.5)
At 31st December	26,388.1	44.4	254.7	26,687.2
Freehold properties				138.5
Leasehold properties				26,548.7
				26,687.2

The own use portions of offices and hotel in Hong Kong were reclassified to fixed assets and right-of-use assets (see note 10) and recognised at historical cost less accumulated depreciation.

Decrease in fair value for 2024 includes a US\$383.2 million reversal of cumulative gains on these reclassified properties.

The Group measures its investment properties at fair value. The fair values of the Group's investment properties at 31st December 2024 and 2023 have been determined on the basis of valuations carried out by independent valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. The Group engaged Jones Lang LaSalle to value its investment properties in Hong Kong, Chinese mainland, Singapore and Cambodia which are either freehold or held under leases with unexpired lease terms of more than 25 years. The valuations, which conform to the International Valuation Standards issued by the International Valuation Standards Council and the HKIS Valuation Standards issued by the Hong Kong Institute of Surveyors, were arrived at by reference to the net income, allowing for reversionary potential, of each property. The Report of the Valuers is set out on page []. The valuations are comprehensively reviewed by the Group.

At 31st December 2024, investment properties of US\$996.0 million (2023: US\$951.8 million) were pledged as security for borrowings (see Note 19).

(a) Fair value measurements of commercial properties using significant unobservable inputs (level 3)

Fair values of completed commercial properties in Hong Kong, Chinese mainland and Singapore are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' views of recent lettings, within the subject properties and other comparable properties.

Fair values of completed commercial properties in Cambodia are generally derived using the discounted cash flow method. The net present value of the income stream is estimated by applying an appropriate discount rate which reflects the risk profile.

11 Investment Properties continued

Fair values of under development commercial properties are generally derived using the residual method. This valuation method is essentially a means of valuing the land by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completion as at the date of valuation.

The Group's policy is to recognise transfers between fair value measurements as of the date of the event or change in circumstances that caused the transfer. There were no transfer between level 1, 2 and 3 for recurring fair value measurements during the year.

Information about fair value measurements using significant unobservable inputs at 31st December:

Location of properties	Fair value US\$m	Valuation method	Range of significant unobservable inputs	
			Prevailing market rent per month US\$	Capitalisation/ discount rate %
2024				
Hong Kong - office	18,714.0	Income capitalisation	12.8 per square foot	2.90 to 3.50
- retail	4,109.5	Income capitalisation	28.8 per square foot	4.25 to 5.00
Total	22,823.5			
Chinese mainland	996.0	Income capitalisation	105.1 per square metre	3.50
Singapore	581.4	Income capitalisation	7.5 per square foot	3.35 to 4.80
Cambodia	66.4	Discounted cash flow	21.0 to 30.0 per square metre	12.50 to 13.50
Total	24,467.3			
2023				
Hong Kong - office	20,910.3	Income capitalisation	14.0 per square foot	2.90 to 3.50
- retail	3,847.0	Income capitalisation	22.3 per square foot	4.50 to 5.00
Total	24,757.3			
Chinese mainland	951.8	Income capitalisation	104.4 per square metre	3.75
Singapore	596.8	Income capitalisation	7.7 per square foot	3.35 to 4.80
Cambodia	82.2	Discounted cash flow	21.0 to 30.0 per square metre	12.50 to 13.50
Total	26,388.1			

Prevailing market rents are estimated based on independent valuers' view of recent lettings, within the subject properties and other comparable properties. The higher the rents, the higher the fair value.

Capitalisation and discount rates are estimated by independent valuers based on the risk profile of the properties being valued. The lower the rates, the higher the fair value.

An increase/decrease to prevailing market rent will increase/decrease valuations, while an increase/decrease to capitalisation/discount rate will decrease/increase valuations. Sensitivity analyses have been performed to assess the impact on the valuations of changes in the two significant unobservable inputs for prevailing market rents and capitalisation rates on the completed commercial properties in Hong Kong, which contributed 92% (2023: 93%) of the total investment properties balance at 31st December 2024. The impact of any reasonably possible change in the assumptions for other investment properties would not be material. The Group believes this captures the range of variations in these key valuation assumptions. The results are shown in the table below:

	Change in assumption %	Increase/(decrease) in valuation	
		Increase in assumption US\$m	Decrease in assumption US\$m
2024			
Prevailing market rent per month	5.0	1,034.7	(1,061.9)
Capitalisation rate	0.1	(661.2)	703.4
2023			
Prevailing market rent per month	5.0	1,158.7	(1,149.7)
Capitalisation rate	0.1	(709.8)	755.4

(b) Fair value measurement of residential properties using no significant unobservable input (level 2)

Fair values of completed residential properties are generally derived using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

Notes to the Financial Statements

12 Associates and Joint Ventures

	2024	2023
	US\$m	US\$m
Unlisted associates		
- share of attributable net assets	455.7	454.1
- amounts due from associates	398.3	407.1
	854.0	861.2
Unlisted joint ventures		
- share of attributable net assets	7,675.2	7,861.4
- amounts due from joint ventures	1,517.0	1,862.6
	9,192.2	9,724.0
	10,046.2	10,585.2
By business		
Prime Properties Investment	4,677.7	4,610.0
Build-to-sell	5,368.5	5,975.2
	10,046.2	10,585.2

To align with market practice, amounts due to associates and joint ventures of US\$1,301.0 million for 2023 (2022: US\$1,288.6 million), which were previously reported net against Associates and Joint Ventures based on how these balances were intended to be settled, are now reclassified and presented within Creditors (see Note 18). The previously reported balances of Current and Non-current creditors for 2023 increased by US\$449.2 million (2022: US\$501.7 million) and US\$851.8 million (2022: US\$786.9 million) respectively. The related cash flows in 2023, previously classified under investing activities as repayments from/advances to associates and joint ventures of US\$165.0 million and US\$56.5 million respectively, are now represented under financing activities.

Amounts due from associates are interest free, unsecured and have no fixed terms of repayment.

Amounts due from joint ventures bear interests at rates up to 7% per annum and are repayable within one to six years.

Movements of associates and joint ventures during the year:

	Associates		Joint ventures	
	2024	2023	2024	2023
	US\$m	US\$m	US\$m	US\$m
At 1st January	861.2	754.2	9,724.0	10,150.4
Exchange differences	(0.2)	(0.2)	(32.1)	19.3
Share of results after tax and non-controlling interests	11.4	16.2	242.8	236.5
Share of other comprehensive expense after tax and non-controlling interests	(31.3)	(6.7)	(215.0)	(52.4)
Dividends received and receivable	(1.0)	(1.1)	(99.6)	(129.1)
Investments in and advances to/(repayments from) associates and joint ventures	13.9	98.8	(93.3)	(367.5)
Classified as held for sale	-	-	(39.6)	-
Disposal	-	-	(9.1)	(15.8)
Transfer to subsidiaries	-	-	(285.9)	(117.4)
At 31st December	854.0	861.2	9,192.2	9,724.0

The material joint ventures of the Group are listed below. These joint ventures have share capital consisting solely of ordinary shares, which are held directly by the Group. The Group has no material associates.

Nature of investments in material joint ventures in 2024 and 2023:

Name of entity	Nature of business	Country of incorporation/ principal place of business	% of ownership interest	
			2024	2023
Shanghai Yibin Property Co. Ltd.	Property investment	Shanghai	43	43
Properties Sub F, Ltd	Property investment	Macau	49	49
BFC Development LLP	Property investment	Singapore	33	33
Central Boulevard Development Pte Ltd	Property investment	Singapore	33	33
One Raffles Quay Pte Ltd	Property investment	Singapore	33	33

12 Associates and Joint Ventures continued

Summarised financial information for material joint ventures

Summarised balance sheet at 31st December:

	Shanghai Yibin Property Co. Ltd. US\$m	Properties Sub F, Ltd US\$m	BFC Development LLP US\$m	Central Boulevard Development Pte Ltd US\$m	One Raffles Quay Pte Ltd US\$m
2024					
Non-current assets *	3,606.5	1,133.7	3,977.0	3,098.9	2,910.4
Current assets					
Cash and cash equivalents	80.5	133.8	28.2	24.7	16.7
Other current assets	1,370.1	44.2	3.2	3.1	0.2
Total current assets	1,450.6	178.0	31.4	27.8	16.9
Non-current liabilities					
Financial liabilities (excluding trade payables)	(614.1)	-	(1,263.0)	(1,189.6)	(783.8)
Other non-current liabilities (including trade payables)	(43.2)	(124.4)	-	(21.6)	(211.8)
Total non-current liabilities	(657.3)	(124.4)	(1,263.0)	(1,211.2)	(995.6)
Current liabilities					
Financial liabilities (excluding trade payables)	-	-	(0.6)	(8.9)	(2.1)
Other current liabilities (including trade payables)	(206.7)	(43.3)	(79.5)	(46.3)	(50.3)
Total current liabilities	(206.7)	(43.3)	(80.1)	(55.2)	(52.4)
Net assets	4,193.1	1,144.0	2,665.3	1,860.3	1,879.3
2023					
Non-current assets *	3,410.5	1,136.8	3,883.3	2,990.2	2,986.9
Current assets					
Cash and cash equivalents	65.7	97.9	29.4	29.1	12.1
Other current assets	1,304.7	43.4	3.6	2.8	1.8
Total current assets	1,370.4	141.3	33.0	31.9	13.9
Non-current liabilities					
Financial liabilities (excluding trade payables)	(325.4)	-	(1,302.3)	(1,223.0)	(801.9)
Other non-current liabilities (including trade payables)	(30.8)	(125.5)	-	(21.2)	(218.0)
Total non-current liabilities	(356.2)	(125.5)	(1,302.3)	(1,244.2)	(1,019.9)
Current liabilities					
Financial liabilities (excluding trade payables)	-	-	(0.7)	(7.9)	(2.2)
Other current liabilities (including trade payables)	(147.9)	(40.9)	(77.3)	(46.0)	(48.5)
Total current liabilities	(147.9)	(40.9)	(78.0)	(53.9)	(50.7)
Net assets	4,276.8	1,111.7	2,536.0	1,724.0	1,930.2

* Predominantly consist of Investment Properties.

Notes to the Financial Statements

12 Associates and Joint Ventures continued

Summarised statement of comprehensive income for the year ended 31st December:

	Shanghai Yibin Property Co. Ltd. US\$m	Properties Sub F, Ltd US\$m	BFC Development LLP US\$m	Central Boulevard Development Pte Ltd US\$m	One Raffles Quay Pte Ltd US\$m
2024					
Revenue	0.1	82.7	182.6	134.5	134.1
Depreciation and amortisation	-	(3.2)	-	-	-
Interest income	0.7	3.0	-	-	-
Interest expense	-	(0.2)	(52.5)	(45.7)	(28.4)
Profit/(loss) from underlying business performance	(2.6)	44.2	87.1	55.4	73.2
Tax	0.6	(5.2)	(14.4)	(9.5)	(12.5)
Profit/(loss) after tax from underlying business performance	(2.0)	39.0	72.7	45.9	60.7
Profit/(loss) after tax from non-trading items	38.3	(13.9)	205.4	203.8	13.2
Profit after tax	36.3	25.1	278.1	249.7	73.9
Other comprehensive income/ (expense)	(120.0)	7.3	(73.6)	(67.8)	(64.5)
Total comprehensive income/ (expense)	(83.7)	32.4	204.5	181.9	9.4
Group's share of dividends received and receivable from joint ventures	-	-	25.1	15.2	20.1
2023					
Revenue	-	81.3	171.4	132.5	130.8
Depreciation and amortisation	-	(3.5)	-	-	-
Interest income	0.7	1.4	-	-	-
Interest expense	-	(0.2)	(53.8)	(43.8)	(28.6)
Profit/(loss) from underlying business performance	(3.0)	31.3	73.9	56.7	70.0
Tax	0.5	(3.7)	(11.7)	(9.6)	(11.9)
Profit/(loss) after tax from underlying business performance	(2.5)	27.6	62.2	47.1	58.1
Profit/(loss) after tax from non-trading items	9.1	(7.3)	54.4	22.1	(0.2)
Profit after tax	6.6	20.3	116.6	69.2	57.9
Other comprehensive income/ (expense)	(84.8)	(2.5)	38.2	25.7	29.6
Total comprehensive income/ (expense)	(78.2)	17.8	154.8	94.9	87.5
Group's share of dividends received and receivable from joint ventures	-	-	20.7	15.8	19.4

The information contained in the summarised balance sheets and statements of comprehensive income reflect the amounts presented in the financial statements of the joint ventures adjusted for differences in accounting policies between the Group and the joint ventures, and fair value of the joint ventures at the time of acquisition.

12 Associates and Joint Ventures continued

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the material joint ventures for the year ended 31st December:

	Shanghai Yibin Property Co. Ltd. US\$m	Properties Sub F, Ltd US\$m	BFC Development LLP US\$m	Central Boulevard Development Pte Ltd US\$m	One Raffles Quay Pte Ltd US\$m
2024					
Net assets	4,193.1	1,144.0	2,665.3	1,860.3	1,879.3
Interest in joint ventures (%)	43	49	33	33	33
Group's share of net assets in joint ventures	1,803.0	560.5	888.4	620.1	626.5
Amounts due from joint ventures	-	-	-	-	40.5
Carrying value	1,803.0	560.5	888.4	620.1	667.0
2023					
Net assets	4,276.8	1,111.7	2,536.0	1,724.0	1,930.2
Interest in joint ventures (%)	43	49	33	33	33
Group's share of net assets in joint ventures	1,839.0	544.7	845.3	574.7	643.4
Amounts due from joint ventures	-	-	-	-	38.9
Carrying value	1,839.0	544.7	845.3	574.7	682.3

The Group has interests in a number of individually immaterial joint ventures. The following table analyses, in aggregate, the share of profit and other comprehensive income and carrying amount of these joint ventures.

	2024 US\$m	2023 US\$m
Share of profit	14.5	142.8
Share of other comprehensive income	(98.5)	(45.8)
Share of total comprehensive (expense)/income	(84.0)	97.0
Carrying amount of interests in these joint ventures	4,653.2	5,238.0

At 31st December 2024, the Group's commitments to provide funding to its joint ventures, if called, amounted to US\$715.6 million (2023: US\$744.5 million).

There were no contingent liabilities relating to the Group's interests in the joint ventures at 31st December 2024 and 2023.

Notes to the Financial Statements

13 Debtors

	2024	2023
	US\$m	US\$m
Trade debtors	28.3	31.2
Contract assets (see Note 3)	10.7	10.4
Other debtors		
- third parties	258.7	266.1
- associates and joint ventures	62.8	80.6
	360.5	388.3
Non-current		
- other debtors	11.5	14.2
Current		
- trade debtors	28.3	31.2
- contract assets	10.7	10.4
- other debtors	310.0	332.5
	349.0	374.1
	360.5	388.3
By geographical area of operation		
Hong Kong and Macau	117.6	123.7
Chinese mainland	165.6	160.1
Southeast Asia and others	77.3	104.5
	360.5	388.3

The fair value of trade debtors, contract assets and other debtors approximates to their carrying amounts, as the impact of discounting is not significant. Derivative financial instruments are stated at fair value. The higher the discount rates, the lower the fair value.

Significant financial difficulties of a debtor, probability that a debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payment are considered indicators that the debt is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

The Group applied the simplified approach to measure expected credit loss, that is a lifetime expected loss allowance for trade debtors and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Changes in certain macroeconomic information, such as GDP and inflation rate, are relevant for determining expected credit loss rates. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade debtors for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade debtors are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors and industry trends affecting the ability of the customers to settle the receivables.

13 Debtors continued

The loss allowance as at 31st December:

	Below 30 days US\$m	Between 31 and 60 days US\$m	Between 61 and 120 days US\$m	More than 120 days US\$m	Total US\$m
2024					
Expected loss rate (%)	-	-	4	3	1
Gross carrying amount - trade debtors	18.6	3.2	2.9	3.9	28.6
Gross carrying amount - contract assets	10.7	-	-	-	10.7
Loss allowance	(0.1)	-	(0.1)	(0.1)	(0.3)
2023					
Expected loss rate (%)	-	-	5	3	1
Gross carrying amount - trade debtors	22.9	2.9	2.1	3.6	31.5
Gross carrying amount - contract assets	10.4	-	-	-	10.4
Loss allowance	(0.1)	-	(0.1)	(0.1)	(0.3)

Trade debtors, contract assets and other debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Other debtors are further analysed as follows:

	2024 US\$m	2023 US\$m
Costs to fulfil contracts (see Note 3)	4.7	4.4
Costs to obtain contracts (see Note 3)	1.9	14.6
Prepayments	107.1	109.8
Derivative financial instruments	0.2	4.0
Amounts due from associates and joint ventures	62.8	80.6
Others	144.8	133.3
	321.5	346.7

Notes to the Financial Statements

14 Deferred Tax Assets and Liabilities

	Tax losses	Accelerated capital allowances	Revaluation surpluses of investment properties	Other temporary differences	Total
	US\$m	US\$m	US\$m	US\$m	US\$m
2024					
At 1st January	54.6	(135.5)	(44.9)	(10.0)	(135.8)
Exchange differences	(1.4)	0.7	0.8	(0.5)	(0.4)
Credited/(charged) to profit and loss	15.7	(26.8)	(25.8)	(21.8)	(58.7)
Charged to other comprehensive income	-	-	-	(1.5)	(1.5)
At 31st December	68.9	(161.6)	(69.9)	(33.8)	(196.4)
Deferred tax assets					53.5
Deferred tax liabilities					(249.9)
					(196.4)
2023					
At 1st January	42.2	(81.3)	(30.2)	(89.6)	(158.9)
Exchange differences	(0.8)	0.2	0.5	0.9	0.8
Credited/(charged) to profit and loss	13.2	(58.3)	(15.2)	82.6	22.3
Credited to other comprehensive income	-	-	-	9.0	9.0
Acquisition of subsidiaries	-	-	-	(12.9)	(12.9)
Disposal of subsidiaries	-	3.9	-	-	3.9
At 31st December	54.6	(135.5)	(44.9)	(10.0)	(135.8)
Deferred tax assets					113.3
Deferred tax liabilities					(249.1)
					(135.8)

Deferred tax balances predominantly comprise non-current items. Deferred tax assets and liabilities are netted when the taxes relate to the same taxation authority and where offsetting is allowed.

Deferred tax assets of US\$24.8 million (2023: US\$15.8 million) arising from unused tax losses of US\$112.4 million (2023: US\$72.9 million) have not been recognised in the financial statements. Included in the unused tax losses, US\$23.2 million (2023: US\$23.1 million) have no expiry date and the balance will expire at various dates up to and including 2029.

15 Properties for Sale

	2024	2023
	US\$m	US\$m
Properties under development	728.9	1,464.2
Completed properties	1,888.0	1,543.6
	<u>2,616.9</u>	<u>3,007.8</u>
Provision	(257.2)	(81.7)
	<u>2,359.7</u>	<u>2,926.1</u>

At 31st December 2024, properties under development which were not scheduled for completion within the next 12 months amounted to US\$513.5 million (2023: US\$406.7 million). Properties for sale of US\$871.6 million (2023: US\$848.5 million) were pledged as security for borrowings (see Note 19).

16 Bank Balances

	2024	2023
	US\$m	US\$m
Deposits with banks and financial institutions	1,014.6	1,051.2
Restricted cash	9.5	82.2
Bank balances	49.3	62.2
	<u>1,073.4</u>	<u>1,195.6</u>
By currency		
Chinese renminbi	454.6	497.6
Hong Kong dollar	58.0	78.8
Malaysian ringgit	22.8	22.0
Singapore dollar	69.7	209.7
United States dollar	463.7	385.5
Others	4.6	2.0
	<u>1,073.4</u>	<u>1,195.6</u>

The weighted average interest rate on deposits with banks and financial institutions is 4.0% (2023: 4.8%) per annum.

Restricted cash represents property sale proceeds placed with banks in accordance with the requirements of property development on the Chinese mainland and are restricted for use until certain conditions are fulfilled.

17 Assets Classified as Held for Sale

The major classes of assets classified as held for sale are set out below:

	2024	2023
	US\$m	US\$m
Investment properties	11.4	-
Joint ventures	26.1	-
Current assets*	16.8	-
	<u>54.3</u>	<u>-</u>

* Included bank balances of US\$3.5 million (see Note 23(b)).

At 31st December 2024, assets classified as held for sale principally related to certain interests in Cambodia and Thailand with net assets of US\$14.9 million and US\$39.4 million respectively.

Notes to the Financial Statements

18 Creditors

	2024	2023
	US\$m	US\$m
Trade creditors	566.3	661.0
Other creditors	183.8	217.6
Tenants' deposits	257.5	258.7
Derivative financial instruments	65.8	62.0
Rent received in advance	19.3	17.1
Contract liabilities - properties for sale (see Note 3)	126.1	550.2
Lease liabilities	5.0	6.6
Amounts due to associates and joint ventures	1,334.5	1,302.5
	2,558.3	3,075.7
Non-current	915.9	920.6
Current	1,642.4	2,155.1
	2,558.3	3,075.7
By geographical area of operation		
Hong Kong and Macau	583.2	603.5
Chinese mainland	1,930.7	2,422.0
Southeast Asia and others	44.4	50.2
	2,558.3	3,075.7

Derivative financial instruments are stated at fair value. Other creditors are stated at amortised cost. The fair value of these creditors approximates their carrying amounts. Amounts due to associates and joint ventures represent distributions of surplus cash in the form of advances which are interest free, unsecured and repayable based on contractual terms (see Note 12).

19 Borrowings

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	US\$m	US\$m	US\$m	US\$m
Current				
Bank overdrafts	0.2	0.2	1.2	1.2
Bank loans	6.4	6.4	74.2	74.2
Current portion of long-term borrowings				
- bank loans	177.2	177.2	306.5	306.5
- notes	639.9	636.0	399.7	400.9
	823.7	819.8	781.6	782.8
Long-term				
Bank loans	2,069.7	2,069.7	1,909.7	1,909.7
Notes	3,271.9	3,046.1	3,875.6	3,634.0
	5,341.6	5,115.8	5,785.3	5,543.7
	6,165.3	5,935.6	6,566.9	6,326.5
Secured	921.0		942.6	
Unsecured	5,244.3		5,624.3	
	6,165.3		6,566.9	

19 Borrowings continued

The fair values are based on market prices or are estimated using the expected future payments discounted at market interest rates ranging from 2.6% to 5.2% (2023: 2.8% to 6.0%) per annum. This is in line with the definition of 'observable current market transactions' under the fair value measurement hierarchy. The fair value of current borrowings approximates their carrying amounts, as the impact of discounting is not significant.

Secured borrowings at 31st December 2024 and 2023 were certain subsidiaries' bank borrowings which were secured against their investment properties and properties for sale.

The movements in borrowings are as follow:

	Bank overdrafts US\$m	Long-term borrowings US\$m	Short-term borrowings US\$m	Total US\$m
2024				
At 1st January	1.2	5,785.3	780.4	6,566.9
Exchange differences	-	(21.5)	(14.1)	(35.6)
Transfer	-	(974.4)	974.4	-
Change in fair value	-	1.1	0.2	1.3
Change in bank overdrafts	(1.0)	-	-	(1.0)
Drawdown of borrowings	-	2,355.8	15.2	2,371.0
Repayment of borrowings	-	(1,804.7)	(932.6)	(2,737.3)
At 31st December	0.2	5,341.6	823.5	6,165.3
2023				
At 1st January	1.9	6,571.4	417.2	6,990.5
Exchange differences	-	(8.6)	2.1	(6.5)
Transfer	-	(585.7)	585.7	-
Subsidiaries acquired	-	-	25.9	25.9
Change in fair value	-	5.2	0.1	5.3
Change in bank overdrafts	(0.7)	-	-	(0.7)
Drawdown of borrowings	-	1,775.5	346.4	2,121.9
Repayment of borrowings	-	(1,972.5)	(597.0)	(2,569.5)
At 31st December	1.2	5,785.3	780.4	6,566.9

Notes to the Financial Statements

19 Borrowings continued

The borrowings after currency swaps at 31st December are further summarised as follows:

	Weighted average interest rates %	Fixed rate borrowings		Floating rate borrowings US\$m	Total US\$m
		Weighted average period outstanding Years	US\$m		
By currency					
2024					
Hong Kong dollar	3.8	5.6	3,511.9	612.0	4,123.9
Singapore dollar	3.8	14.4	218.2	-	218.2
Chinese renminbi	3.1	2.1	483.2	986.5	1,469.7
Thai baht	3.3	-	-	353.5	353.5
			4,213.3	1,952.0	6,165.3
2023					
Hong Kong dollar	4.2	6.2	3,664.1	885.2	4,549.3
Singapore dollar	3.8	15.4	224.7	-	224.7
Chinese renminbi	3.5	3.0	186.8	1,271.2	1,458.0
Thai baht	3.6	-	-	334.9	334.9
			4,075.6	2,491.3	6,566.9

The weighted average interest rates and period of fixed rate borrowings are stated after taking into account hedging transactions.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at 31st December after taking into account hedging transactions are as follows:

	2024 US\$m	2023 US\$m
Floating rate borrowings	1,952.0	2,491.3
Fixed rate borrowings		
- within one year	639.9	200.0
- between one and two years	220.6	641.3
- between two and three years	488.8	225.3
- between three and four years	183.7	185.9
- between four and five years	122.0	182.4
- beyond five years	2,558.3	2,640.7
	4,213.3	4,075.6
	6,165.3	6,566.9

19 **Borrowings** continued

Details of notes outstanding at 31st December are as follows:

Medium term notes	Maturity	2024		2023	
		Current	Non-current	Current	Non-current
		US\$m	US\$m	US\$m	US\$m
US\$400m 10-year notes at 4.625% *	2024	-	-	399.7	-
HK\$300m 15-year notes at 4.10%	2025	38.6	-	-	38.4
US\$600m 15-year notes at 4.50% *	2025	601.3	-	-	602.9
HK\$302m 15-year notes at 3.75%	2026	-	38.8	-	38.5
CNY330m 3-year notes at 3.50% #	2026	-	45.1	-	46.4
CNY1,000m 3-year notes at 3.50% #	2026	-	136.6	-	140.4
HK\$785m 15-year notes at 4.00%	2027	-	100.7	-	99.9
HK\$473m 15-year notes at 4.04%	2027	-	60.9	-	60.5
HK\$200m 15-year notes at 3.95%	2027	-	25.7	-	25.6
HK\$300m 15-year notes at 3.15%	2028	-	38.5	-	38.1
HK\$325m 15-year notes at 4.22%	2028	-	41.7	-	41.4
HK\$450m 10-year notes at 3.83%	2028	-	57.9	-	57.5
HK\$355m 10-year notes at 3.75%	2028	-	45.6	-	45.3
HK\$400m 15-year notes at 4.40%	2029	-	51.2	-	50.8
HK\$550m 10-year notes at 2.93%	2029	-	70.8	-	70.3
US\$600m 10-year notes at 2.875% *	2030	-	596.8	-	596.2
HK\$800m 20-year notes at 4.11%	2030	-	103.0	-	102.4
US\$500m 10-year notes at 2.25% *	2031	-	496.7	-	496.2
HK\$375m 10-year notes at 1.957%	2031	-	48.2	-	47.9
HK\$200m 20-year notes at 4.125%	2031	-	25.6	-	25.4
HK\$240m 20-year notes at 4.00%	2032	-	30.6	-	30.3
HK\$863m 12-year notes at 2.83%	2032	-	110.4	-	109.6
US\$400m 10-year notes at 5.25% *	2033	-	397.7	-	397.5
HK\$700m 15-year notes at 4.12%	2033	-	89.6	-	89.0
HK\$300m 10-year notes at 4.85%	2033	-	38.5	-	38.2
HK\$604m 15-year notes at 3.67%	2034	-	77.5	-	77.0
HK\$300m 10-year notes at 4.68%	2034	-	38.3	-	-
HK\$400m 15-year notes at 2.72%	2035	-	51.1	-	50.8
HK\$400m 15-year notes at 2.90%	2035	-	51.0	-	50.6
HK\$400m 15-year notes at 2.90%	2035	-	51.0	-	50.6
HK\$800m 15-year notes at 2.65%	2035	-	102.1	-	101.3
SG\$150m 20-year notes at 3.95%	2038	-	108.7	-	111.9
SG\$150m 20-year notes at 3.45%	2039	-	109.5	-	112.8
HK\$250m 30-year notes at 5.25%	2040	-	32.1	-	31.9
		639.9	3,271.9	399.7	3,875.6

* Listed on the Singapore Exchange.

Chinese yuan (offshore)

Notes to the Financial Statements

20 Share Capital

	Ordinary shares in millions		2024	2023
	2024	2023	US\$m	US\$m
Authorised				
Shares of US\$0.10 each	4,000.0	4,000.0	400.0	400.0
Issued and fully paid				
At 1st January	2,206.6	2,227.0	220.7	222.7
Repurchased and cancelled	-	(20.4)	-	(2.0)
At 31st December	2,206.6	2,206.6	220.7	220.7

During the year ended 31st December 2023, the Company repurchased 20.4 million ordinary shares from the stock market at a cost of US\$83.2 million, which resulted in a charge of US\$2.0 million to share capital and US\$81.2 million to revenue reserve.

21 Share-based Incentives

Share-based compensation is sometimes awarded to new senior executives as an incentive to join the Group. These share awards typically vest free of payment in equal installments over five years, subject to continued employment on the date each vesting period ends.

The fair value of the 1,784,500 shares awarded in 2024 was US\$5.8 million based on the closing share price on the grant date. Share awards of US\$1.4 million were charged to the profit and loss during the year.

Movements of the outstanding conditional awards during the year:

	Conditional awards		Conditional awards in dollars	
	in millions		2024	2023
	2024	2023	US\$m	US\$m
At 1st January	-	-	-	-
Granted	1.8	-	5.8	-
At 31st December	1.8	-	5.8	-

Outstanding conditional awards at 31st December:

Awards vesting date				
2025	0.4	-	1.2	-
2026	0.4	-	1.2	-
2027	0.4	-	1.2	-
2028	0.3	-	1.1	-
2029	0.3	-	1.1	-
Total outstanding	1.8	-	5.8	-

22 Dividends

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

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

23 Notes to Consolidated Cash Flow Statement

- (a) Repayments from/to, investments in and advances from/to associates and joint ventures

Set out below is an analysis by reportable segment on a net basis:

	2024 US\$m	2023 US\$m
By business		
Prime Properties Investment	6.5	429.1
Build-to-sell	193.2	(81.5)
	199.7	347.6
By geographical location		
Chinese mainland	222.2	135.2
Southeast Asia and others	(22.5)	212.4
	199.7	347.6

- (b) Cash and cash equivalents

	2024 US\$m	2023 US\$m
Bank balances excluding restricted cash (see Note 16)	1,063.9	1,113.4
Bank overdrafts (see Note 19)	(0.2)	(1.2)
Bank balances classified as held for sale (see Note 17)	3.5	-
	1,067.2	1,112.2

Notes to the Financial Statements

24 Derivative Financial Instruments

The fair values of derivative financial instruments at 31st December are as follows:

	2024		2023	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
	US\$m	US\$m	US\$m	US\$m
Designated as cash flow hedges				
- cross currency swaps	0.2	65.8	2.7	62.0
Designated as fair value hedges				
- cross currency swaps	-	-	1.3	-

Cross currency swaps

The contract amounts of the outstanding cross currency swap contracts at 31st December 2024 were US\$2,100.0 million (2023: US\$2,500.0 million).

25 Capital Commitments

	2024 US\$m	2023 US\$m
Authorised not contracted	214.9	2.7
Contracted not provided		
- contributions to joint ventures	715.6	744.5
- others	225.4	66.6
	941.0	811.1
	1,155.9	813.8

26 Contingent Liabilities

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

27 Related Party Transactions

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

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

Management fee

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

27 Related Party Transactions continued

Property and other services

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

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

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

Hotel management services

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

Outstanding balances with associates and joint ventures

Amounts of outstanding balances with associates and joint ventures are included in associates and joint ventures, debtors and creditors as appropriate (see Notes 12, 13 and 18).

Directors' emoluments

Details of Directors' emoluments (being the key management personnel compensation) are shown on page [] under the heading of 'Remuneration Outcomes in 2024'.

28 Summarised Balance Sheet of the Company

Included below is certain summarised balance sheet information of the Company disclosed in accordance with Bermuda law.

	2024 US\$m	2023 US\$m
Net operating assets		
Investments at cost		
Unlisted shares in subsidiaries	4,481.7	4,481.7
Amounts due from subsidiaries	2,626.6	2,615.6
	7,108.3	7,097.3
Creditors and other accruals	(34.5)	(32.5)
	7,073.8	7,064.8
Total equity		
Share capital (see Note 20)	220.7	220.7
Revenue and other reserves		
Contributed surplus	1,892.1	1,892.1
Capital reserves	1.4	-
Revenue reserves	4,959.6	4,952.0
	6,853.1	6,844.1
Shareholders' funds	7,073.8	7,064.8

Subsidiaries are shown at cost less amounts provided.

The contributed surplus was set up on the formation of the Company in 1989 and, under the Bye-laws of the Company, is distributable.

Notes to the Financial Statements

29 Principal Subsidiaries, Associates and Joint Ventures

The principal subsidiaries, associates and joint ventures of the Group at 31st December 2024 are set out below.

	Attributable interest		Issued share capital	Main activities	Place of incorporation
	2024	2023			
	%	%			
Subsidiaries					
Hongkong Land China Holdings Limited*	100	100	USD	200,000,000	Investment holding Bermuda
Hongkong Land International Holdings Ltd*	100	100	USD	200,000,000	Investment holding Bermuda
Hongkong Land Limited*	100	100	USD	12,000	Group management Bermuda
Blossom Noble (HK) Limited	100	100	HKD	156,000,001	Property investment Hong Kong
Grateful Point (HK) Limited	100	100	HKD	171,000,001	Property investment Hong Kong
The Hongkong Land Company, Limited	100	100	HKD	2,147,317,117	Investment holding Hong Kong
The Hongkong Land Property Company, Limited	100	100	HKD	200	Property investment Hong Kong
HKL (Alexandra House) Limited	100	100	HKD	12,348,000,001	Property investment Hong Kong
HKL (Chater House) Limited	100	100	HKD	1,500,000	Property investment Hong Kong
HKL (Jardine House) Limited	100	100	HKD	17,602,000,001	Property investment Hong Kong
HKL (Landmark Hotel) Limited	100	100	HKD	2	Hotel investment Hong Kong
HKL (One EXSQ) Limited	100	100	HKD	19,022,000,001	Property investment Hong Kong
HKL (Podium) Limited	100	100	HKD	826,000,001	Property investment Hong Kong
HKL (Prince's Building) Limited	100	100	HKD	200	Property investment Hong Kong
HKL (The Forum) Limited	100	100	HKD	1,997,592,818	Property investment Hong Kong
HKL (Three EXSQ) Limited	100	100	HKD	12,750,250,316	Property investment Hong Kong
HKL (Two EXSQ) Limited	100	100	HKD	16,639,000,001	Property investment Hong Kong
Hongkong Land (HK) Investments Limited	100	100	HKD	4,033,804,249	Investment holding Hong Kong
Hongkong Land (West Bund) Development Limited	100	100	HKD	11,216,548,649	Investment holding Hong Kong
Violet Castle (HK) Limited	100	100	HKD	55,200,001	Property investment Hong Kong
Chengdu Premium Property Development Company Limited	100	100	USD	699,980,000	Property development Chinese mainland
Hongkong Land (Chengdu) Ruilong Development Co. Ltd.	100	100	RMB	500,000,000	Property development Chinese mainland
Hongkong Land (Chengdu) Xinchang Development Co. Ltd.	100	100	RMB	650,000,000	Property development Chinese mainland
Hongkong Land (Chongqing) Development Co Ltd	100	100	RMB	5,669,110,000	Property development Chinese mainland
Hongkong Land (Chongqing) Hemin Property Development Co Ltd	100	-	RMB	1,550,000,000	Property development Chinese mainland

* Owned directly

29 **Principal Subsidiaries, Associates and Joint Ventures** continued

	Attributable interest		Issued share capital	Main activities	Place of incorporation
	2024	2023			
	%	%			
Subsidiaries continued					
Hongkong Land (Chongqing) Investment and Holding Co Ltd	100	100	USD	2,200,000,000	Investment holding Chinese mainland
Hongkong Land (Chongqing) Xincheng Development Co Ltd	100	100	RMB	900,000,000	Property development Chinese mainland
Hongkong Land (Chongqing North) Development Co Ltd	100	100	HKD	3,980,000,000	Property development Chinese mainland
Hongkong Land (Chongqing North) Management Co. Ltd.	100	100	RMB	207,322,000	Property management Chinese mainland
Hongkong Land (Chongqing) Xingmao Development Co. Ltd.	100	100	RMB	1,610,000,000	Property development Chinese mainland
Hongkong Land (Chongqing) Xingyi Development Co Ltd	100	100	RMB	449,450,000	Property development Chinese mainland
Hongkong Land (Hangzhou) Heyue Investment and Development Co Ltd	100	100	RMB	6,000,000	Property development Chinese mainland
Hongkong Land (Nanjing) Xuanzhi Development Co. Ltd.	100	100	RMB	479,222,000	Property development Chinese mainland
Hongkong Land (Shanghai) Asset Management Co. Ltd.	100	100	RMB	50,000,000	Investment holding Chinese mainland
Hongkong Land (Shanghai) Zhibin Management Co. Ltd.	100	100	RMB	10,000,000	Investment holding Chinese mainland
Hongkong Land (Wuhan) Xinghui Development Co. Ltd.	100	100	RMB	1,500,000,000	Property development Chinese mainland
Wangfu Central Real Estate Development Company Limited	84	84	RMB	3,500,000,000	Property investment Chinese mainland
Wuhan Dream Land Investment and Development Co. Ltd.	100	100	RMB	1,200,000,000	Property development Chinese mainland
HKL (Esplanade) Pte Limited	100	100	SGD	150,000,000	Property investment Singapore
HKL Treasury (Singapore) Pte. Ltd.	100	100	SGD	2 66,555,263 [#]	Finance Singapore
Hongkong Land (Singapore) Pte. Ltd.	100	100	SGD	100,000 505,164,131 [#]	Project management Singapore
The Hongkong Land Treasury Services (Singapore) Pte. Ltd.	100	100	SGD	2	Finance Singapore
MCL Land Limited	100	100	SGD	511,736,041	Investment holding Singapore
Hongkong Land (Premium Developments) Limited	100	100	Riels	61,400,000,000	Property investment Cambodia
MCL Land (Century Gardens) Sdn. Bhd.	100	100	MYR	29,117,145	Investment holding Malaysia
MCL Land (Malaysia) Sdn. Bhd.	100	100	MYR	1,000,000 3,010,000 [#]	Property development Malaysia
MCL Land (Pantai View) Sdn. Bhd.	100	100	MYR	2,000,000	Property investment Malaysia

[#] Preference shares

Notes to the Financial Statements

29 Principal Subsidiaries, Associates and Joint Ventures continued

	Attributable interest		Issued share capital	Main activities	Place of incorporation
	2024	2023			
	%	%			
Subsidiaries continued					
MCL Land (Quinn) Sdn. Bhd.	100	100	MYR	2,764,210	Property development Malaysia
HKL (Thai Developments) Limited	100	100	Baht	2,592,000,000	Investment holding Thailand
HKL (Treasury Services) Limited	100	100	USD	1	Finance British Virgin Islands
The Hongkong Land Notes Company Limited	100	100	USD	2	Intra-group financing British Virgin Islands
The Hongkong Land Finance (Cayman Islands) Company Limited	100	100	USD	2	Intra-group financing Cayman Islands
Associates and joint ventures					
Normelle Estates Limited	50	50	HKD	10,000	Property investment Hong Kong
Properties Sub F, Limited	49	49	MOP	1,000,000	Property investment Macau
Beijing Landmark Trinity Real Estate Development Co Ltd	30	30	RMB	2,800,000,000	Property development Chinese mainland
Beijing Shouyi Kexin Property Co. Ltd.	20	20	RMB	5,500,000,000	Property development Chinese mainland
Chengdu Ruipeng Property Co. Ltd.	50	50	RMB	980,000,000	Property development Chinese mainland
Chongqing Central Park Co Ltd	50	50	HKD	4,640,000,000	Property development Chinese mainland
Chongqing Lijia Development Co Ltd	50	50	RMB	533,596,100	Property development Chinese mainland
Chongqing Runyi Fenghe Property Development Co. Ltd.	40	40	RMB	2,120,000,000	Property development Chinese mainland
Chongqing Yirun Huacheng Development Co. Ltd.	50	50	RMB	1,070,000,000	Property development Chinese mainland
China West Premier Housing Development Co Ltd	50	50	USD	569,960,000	Property development Chinese mainland
Hangzhou Kesheng Property Development Co Ltd	30	30	RMB	100,000,000	Property development Chinese mainland
Hangzhou Keyi Property Development Co Ltd	30	30	RMB	150,000,000	Property development Chinese mainland
Hongkong Land (Chengdu) Xingyi Development Co. Ltd.	33	33	RMB	50,000,000	Property development Chinese mainland
Hongkong Land (Wuhan) Xingyao Development Co. Ltd.	50	50	RMB	430,000,000	Property development Chinese mainland
Hongkong Land Longfor (Chongqing) Hongmao Development Co Ltd	50	50	RMB	100,000,000	Property development Chinese mainland
Longfor Hongkong Land (Chongqing) Development Co Ltd	50	50	RMB	10,000,000	Property development Chinese mainland
Longfor Hongkong Land (Chongqing) Real Estate Management Co Ltd	50	50	RMB	155,000,000	Property management Chinese mainland
Nanjing Shengxiangyuan Property Development Co Ltd	48	48	RMB	4,227,500,000	Property development Chinese mainland

29 Principal Subsidiaries, Associates and Joint Ventures continued

	Attributable interest		Issued share capital	Main activities	Place of incorporation
	2024	2023			
	%	%			
Associates and joint ventures continued					
Nanjing Xinyeezhi Property Development Co Ltd	50	50	USD	750,000,000	Property development Chinese mainland
Nanjing Yeezhi Jiangbei Property Development Co Ltd	50	50	RMB	100,000,000	Property development Chinese mainland
Shanghai Puchen Property Co. Ltd.	43	43	RMB	850,000,000	Property development Chinese mainland
Shanghai Xinqiaogao Development Co Ltd	27	27	RMB	4,000,000,000	Property development Chinese mainland
Shanghai Xujing Property Co Ltd	50	50	RMB	4,200,000,000	Property development Chinese mainland
Shanghai Yibin Property Co. Ltd.	43	43	RMB	30,200,000,000	Property investment Chinese mainland
Shanghai Yihui Development Co Ltd	50	50	RMB	305,000,000	Property development Chinese mainland
Shanghai Zhibin Huizhao Property Co. Ltd.	34	34	RMB	1,600,000,000	Property development Chinese mainland
Suzhou Rongzhi Property Development Co. Ltd.	40	40	RMB	400,000,000	Property investment Chinese mainland
Suzhou Yuanzhi Property Development Co. Ltd.	53	53	RMB	1,200,000,000	Property investment Chinese mainland
Wuhan Yeezhi Minghong Development Co. Ltd.	66	66	RMB	600,000,000	Property development Chinese mainland
Yeezhi Yuexiang (Chongqing) Development Co Ltd	50	50	RMB	17,736,869	Property development Chinese mainland
Asia Radiant Pte. Ltd.	50	50	SGD	4,000,000	Property development Singapore
BFC Development LLP	33	33	SGD	N/A	Property investment Singapore
Central Boulevard Development Pte Ltd	33	33	SGD	6	Property investment Singapore
HC Land (Clementi) Pte. Ltd.	51	51	SGD	4,000,000	Property development Singapore
Golden Ray Edge 3 Pte. Ltd.	50	50	SGD	4,000,000	Property development Singapore
Maximus Commercial SG Pte. Ltd.	50	50	SGD	4,000,000	Property development Singapore
Maximus Residential SG Pte. Ltd.	50	50	SGD	4,000,000	Property development Singapore
One Raffles Quay Pte Ltd	33	33	SGD	6	Property investment Singapore
Taurus Properties SG Pte. Ltd.	50	50	SGD	4,000,000	Property development Singapore
Tembusu Residential Pte. Ltd.	49	49	SGD	4,000,100	Property development Singapore
PT Asya Mandira Land	50	50	IDR	3,870,000,000,000	Property development Indonesia
PT Award Global Infinity	50	50	IDR	400,982,000,000	Property development Indonesia
PT Brahmayasa Bahtera	40	40	IDR	166,000,000,000	Property development Indonesia
PT Bhumi Prama Arjasa	49	49	IDR	471,862,750,000	Hotelier Indonesia
PT Bumi Parama Wisesa	49	49	IDR	1,150,000,000,000	Property development Indonesia
PT Saka Surya Wisesa	25	-	IDR	880,000,000,000	Property development Indonesia

Notes to the Financial Statements

29 Principal Subsidiaries, Associates and Joint Ventures continued

	Attributable interest		Issued share capital	Main activities	Place of incorporation
	2024	2023			
	%	%			
Associates and joint ventures continued					
PT Jakarta Land	50	50	IDR	998,883,319,544	Property investment Indonesia
PT Lazuli Karya Sarana	50	50	IDR	1,510,000,000,000	Property development Indonesia
PT Ruby Karya Sejahtera	38	38	IDR	2,485,000,000,000	Property development Indonesia
Sunrise MCL Land Sdn Bhd	50	50	MYR	2,000,000	Property development Malaysia
Central and Hongkong Land Company Limited	49	49	THB	5,014,480,000	Property development Thailand
PFHKL 1 Co., Ltd.	49	49	THB	5,000,000	Property development Thailand
PFHKL 2 Co., Ltd.	49	49	THB	5,000,000	Property development Thailand
PFHKL 3 Co., Ltd.	49	49	THB	5,000,000	Property development Thailand
PFHKL 4 Co., Ltd.	49	49	THB	5,000,000	Property development Thailand
PFHKL 6 Co., Ltd.	49	49	THB	5,000,000	Property development Thailand
Jardine Gibbons Properties Limited	40	40	BD	600,000 'A' 400,000 'B'	Property investment Bermuda

30 Material Accounting Policies

Basis of consolidation

- i) The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the Group's interests in associates and joint ventures.
- ii) A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition includes the fair value at the acquisition date of any contingent consideration. The Group recognises the non-controlling interest's proportionate share of the recognised identifiable net assets of the acquired subsidiary. In a business combination achieved in stages, the Group remeasures its previously held interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in profit and loss. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over a previous subsidiary is lost, any remaining interest in the entity is remeasured at fair value and the resulting gain or loss is recognised in profit and loss.

All material intercompany transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated.

- iii) An associate is an entity, not being a subsidiary or joint venture, over which the Group exercises significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates and joint ventures are included on the equity basis of accounting.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the consolidated financial statements only to the extent of unrelated investor's interests in the associates and joint ventures.

- iv) Non-controlling interests represent the proportion of the results and net assets of subsidiaries and their associates and joint ventures not attributable to the Group.
- v) The results of subsidiaries, associates and joint ventures are included or excluded from their effective dates of acquisition or disposal, respectively. The results of entities other than subsidiaries, associates and joint ventures are included to the extent of dividends received when the right to receive such dividend is established.

Foreign currencies

Transactions in foreign currencies are accounted for at the exchange rates ruling at the transaction dates.

Assets and liabilities of subsidiaries, associates and joint ventures, together with all other monetary assets and liabilities expressed in foreign currencies, are translated into United States dollars at the rates of exchange ruling at the year end. Results expressed in foreign currencies are translated into United States dollars at the average rates of exchange ruling during the year, which approximate the exchange rates at the dates of the transactions.

Exchange differences arising from the retranslation of the net investment in foreign subsidiaries, associates and joint ventures, and of financial instruments which are designated as hedges of such investments, are recognised in other comprehensive income and accumulated in equity under exchange reserves. On the disposal of these investments, such exchange differences are recognised in profit and loss. All other exchange differences are recognised in profit and loss.

Goodwill and fair value adjustments arising on acquisition of a foreign entity after 1st January 2004 are treated as assets and liabilities of the foreign entity and translated into United States dollars at the rate of exchange ruling at the year end.

Notes to the Financial Statements

30 Material Accounting Policies continued

Impairment of non-financial assets

Assets that have indefinite useful lives are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the assets may be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the units may be impaired. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment annually.

Fixed assets and depreciation

The building component of owner-occupied leasehold properties are stated at cost less accumulated depreciation and impairment. Other fixed assets are stated at cost less amounts provided for depreciation.

Depreciation of fixed assets is calculated on the straight line basis to allocate the cost or valuation of each asset to its residual value over its estimated useful life. The residual values and useful lives are reviewed at each balance sheet date. The estimated useful lives are as follows:

Buildings (remaining useful lives)	49 - 61 years
Hotel property	20 – 30 years
Furniture, equipment and motor vehicles	3 – 10 years

Where the carrying amount of a fixed asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The profit or loss on disposal of fixed assets is recognised by reference to their carrying amount.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i) As a lessee

The Group enters into property leases for use as offices, as well as leases for motor vehicles for use in its operations.

The Group recognises right-of-use assets and lease liabilities at the lease commencement dates, that is the dates the underlying assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes amounts of the initial measurement of lease liabilities recognised, lease payments made at or before the commencement dates less any lease incentives received, initial direct costs incurred and restoration costs. Right-of-use assets are depreciated using the straight-line method over the shorter of their estimated useful lives and the lease terms.

When right-of-use assets meet the definition of investment properties, they are presented in investment properties, and are initially measured at cost and subsequently measured at fair value, in accordance with the Group's accounting policy.

The Group also has interests in leasehold land for use in its operations. Lump sum payments were made upfront to acquire these land interests from their previous registered owners or governments in the jurisdictions where the land is located. There are no ongoing payments to be made under the term of the land leases, other than insignificant lease renewal costs or payments based on rateable value set by the relevant government authorities. These payments are stated at cost and are amortised over the term of the lease which includes the renewal period if the lease can be renewed by the Group without significant cost.

30 Material Accounting Policies continued

Leases continued

i) As a lessee continued

Lease liabilities are measured at the present value of lease payments to be made over the lease terms. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating a lease, if the lease term reflects the Group exercising that option. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Lease liabilities are measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased by the interest costs on the lease liabilities and decreased by lease payments made.

The carrying amount of lease liabilities is remeasured when there is a change in the lease term, or there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise an extension or a termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases. Low value assets comprised IT equipment and small items of office furniture. Short-term leases are leases with a lease term of 12 months or less. Lease payments associated with these leases are recognised on a straight-line basis as an expense in profit and loss over the lease term.

Lease liabilities are classified as non-current liabilities unless payments are within 12 months from the balance sheet date.

ii) As a lessor

The Group enters into contracts with lease components as a lessor on its investment properties. These leases are operating leases as they do not transfer the risk and rewards incidental to the underlying investment properties. The Group recognises the lease payments received under these operating leases on a straight line basis over the lease term as part of revenue in the profit and loss.

Investment properties

Properties including those under operating leases which are held for long-term rental yields or capital gains are classified and accounted for as investment properties, but the business model does not necessarily envisage that the properties will be held for their entire useful life. Investment properties are carried at fair value, representing estimated open market value determined annually by independent qualified valuers who have recent experience in the location and category of the investment property being valued. The market value of commercial properties are calculated on the discounted net rental income allowing for reversionary potential. The market value of residential properties are arrived at by reference to market evidence of transaction prices for similar properties. Changes in fair value are recognised in profit and loss.

Owner-occupied portions of multi-purpose properties are accounted for as fixed assets unless the portion is considered insignificant, in which case this portion is treated as part of investment properties.

Properties for sale

Properties for sale, which comprise land and buildings held for resale, are stated at the lower of cost and net realisable value. The cost of properties for sale comprises land cost, construction and other development costs, and borrowing costs. A portion of the properties for sale is leased out prior to sales to enhance shareholder profitability. These leased properties are classified and accounted for as properties held for sale.

Notes to the Financial Statements

30 Material Accounting Policies continued

Debtors

Trade debtors are recognised initially at the amount of consideration that is unconditional and measured subsequently at amortised cost using the effective interest method. A contract asset arises if the Group has a right to consideration in exchange for goods or services the Group has transferred to a customer, that is conditional on something other than the passage of time. All other debtors, excluding derivative financial instruments, are measured at amortised cost except where the effect of discounting would be immaterial. For trade debtors and contract assets, the Group applied the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the debtors. Provision for impairment is established by considering potential financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in arriving at operating profit. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit and loss.

Debtors with maturities greater than 12 months after the balance sheet date are classified under non-current assets.

Cash and cash bank balances

Cash and deposits with banks, which are restricted in use ('Restricted cash and bank balances'), are classified as cash and bank balances. If such balances are restricted in use for a period exceeding one year, they are classified as part of other debtors.

For the purposes of the cash flow statement, cash and cash equivalents comprise deposits at call with banks and financial institutions, bank and cash balances, and other liquid investments, with original maturities of three months or less, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current borrowings. Restricted cash and bank balances that are not available for use within three months from the balance sheet date are excluded from cash and cash equivalents.

Provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligations can be made.

Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method.

Borrowing costs relating to major development projects are capitalised until the asset is substantially completed. Capitalised borrowing costs are included as part of the cost of the asset. All other borrowing costs are expensed as incurred.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or direct in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

30 Material Accounting Policies continued

Current and deferred tax continued

Provision for deferred tax is made on the revaluation of certain non-current assets and, in relation to acquisitions, on the difference between the fair value of the net assets acquired and their tax base. Deferred tax is provided on temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Pension obligations

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held in trustee administered funds.

Pension accounting costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the costs of providing pensions are charged to profit and loss spreading the regular cost over the service lives of employees in accordance with the advice of qualified actuaries, who carry out a full valuation of major plans every year. Plan assets are measured at fair value.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the year in which they occur. Past service costs are recognised immediately in profit and loss.

The Group's total contributions relating to the defined contribution plans are charged to profit and loss in the year to which they relate.

Share-based compensation

The Company operates a number of equity-settled employee share award schemes. The fair value of the employee services received in exchange for the grant of the share awards is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards granted as determined on the grant date. At each balance sheet date, the Company revised its estimates of the number of share awards which will be vested free of payment. The impact of the revision of original estimates, if any, is recognised in profit and loss.

Assets held for sale

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are expected to be recovered principally through a sale transaction rather than through continuing use. Once classified as held for sale, assets are no longer amortised or depreciated.

Derivative financial instruments

The Group only enters into derivative financial instruments in order to hedge underlying exposures and not as speculative investments. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss is dependent on the nature of the item being hedged. The Group designates certain derivatives as a hedge of the fair value of a recognised asset or liability (fair value hedge), or a hedge of a forecast transaction or of the foreign currency risk on a firm commitment (cash flow hedge), or a hedge of a net investment in a foreign entity.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that are highly effective, are recognised in profit and loss, along with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit and loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit and loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the cumulative adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit and loss over the residual period to maturity.

Notes to the Financial Statements

30 Material Accounting Policies continued

Derivative financial instruments continued

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that are highly effective, are recognised in other comprehensive income and accumulated in equity under hedging reserves. Changes in the fair value relating to the ineffective portion is recognised immediately in profit and loss. Where the hedged item results in the recognition of a non-financial asset or of a non-financial liability, the deferred gains and losses are included in the initial measurement of the cost of the asset or liability. The deferred amounts are ultimately recognised in profit and loss as the hedged item affects profit and loss. Otherwise, amounts deferred in hedging reserves are transferred to profit and loss in the same periods during which the hedged firm commitment or forecast transaction affects profit and loss. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit and loss within finance cost at the same time as the interest expense on the hedged borrowings. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserves at that time remains in the hedging reserves and is recognised when the committed or forecast transaction ultimately is recognised in profit and loss. When a committed or forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserves is immediately transferred to profit and loss.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IFRS 9. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognised immediately in profit and loss.

Hedges of net investments in foreign entities are accounted for on a similar basis to that used for cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in exchange reserves; the gain or loss relating to the ineffective portion is recognised immediately in profit and loss.

The fair value of derivatives which are designated and qualify as effective hedges are classified as non-current assets or liabilities if the remaining maturities of the hedged assets or liabilities are greater than 12 months after the balance sheet date.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

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.

Earnings per share

Basic earnings per share are calculated on profit attributable to shareholders and on the weighted average number of shares in issue during the year. The weighted average number excludes the shares held by the subsidiaries. For the purpose of calculating diluted earnings per share, profit attributable to shareholders is adjusted for the effects of the conversion of dilutive potential ordinary shares, and the weighted average number of shares is adjusted for the number of shares which are deemed to be issued for no consideration under the share-based long-term incentive plans based on the average share price during the year.

Dividends

Dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date.

30 Material Accounting Policies continued

Revenue recognition

i) Properties for sale

Revenue from properties for sale is recognised when or as the control of the property is transferred to the customer. Revenue consists of the fair value of the consideration received and receivable, net of value added tax, rebates and discounts. Proceeds received in advance for pre-sale are recorded as contract liabilities. Depending on the terms of the contract and the laws that apply to the contract, control of the property may transfer over time or at a point in time.

If control of the property transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the property.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For properties for sale under development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

ii) Investment properties

Rental income from investment properties are accounted for on an accruals basis over the lease term.

iii) Service income and others

Revenue from property management service and hospitality service are recognised when services are performed provided that the amount can be measured reliably.

31 Standards and Amendments Issued But Not Yet Effective

A number of new standard and amendments effective for accounting periods beginning after 2024 have been published and will be adopted by the Group from their effective dates. The Group is currently assessing the potential impact of these standard and amendments but expects their adoption will not have a significant impact on the Group's consolidated financial statements. The more important standard and amendments that are relevant to the Group are set out below.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026)

These amendments clarify (i) the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (ii) further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion; (iii) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (iv) update the disclosures for equity instruments designated at fair value through other comprehensive income. The Group is assessing the impact on the Group's consolidated financial statements.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective from 1 January 2027)

The standard requires new presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit and loss. The key new concepts introduced in IFRS 18 relate to (i) the structure of the statement of profit and loss with defined subtotals; (ii) requirement to determine the most useful structure summary for presenting expenses in the statement of profit and loss; (iii) required disclosures in a single note within the financial statements for certain profit and loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iv) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Group is assessing the changes on presentation and disclosure required in the Group's consolidated financial statements.

Notes to the Financial Statements

32 Financial Risk Management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group's treasury function co-ordinates, under the directions of the board of Hongkong Land Limited, financial risk management policies and their implementation on a group-wide basis. The Group's treasury policies are designed to manage the financial impact of fluctuations in interest rates and foreign exchange rates and to minimise the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps, cross-currency swaps and forward foreign exchange contracts as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies. Financial derivative contracts are executed between third party banks and the Group entity that is directly exposed to the risk being hedged. Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. The effective portion of the change in the fair value of the hedging instrument is deferred into the cash flow hedge reserve through other comprehensive income and will be recognised in profit and loss when the hedged item affects profit and loss. The ineffective portion will be recognised in the profit and loss immediately. In general, the volatility in profit or loss can be reduced by applying hedge accounting.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group assesses whether the derivative designated in each hedging relationship has been and expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

Ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated for hedges of foreign currency purchases, or if there are changes in the credit risk of the Group or the derivative counterparty.

i) Market risk

Foreign exchange risk

Entities within the Group are exposed to foreign exchange risk from future commercial transactions, net investments in foreign operations and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency.

Entities in the Group use cross-currency swaps and forward foreign exchange contracts in a consistent manner to hedge firm and anticipated foreign exchange commitments and manage their foreign exchange risk arising from future commercial transactions. The Group does not usually hedge its net investments in foreign operations except in circumstances where there is a material exposure arising from a currency that is anticipated to be volatile and the hedging is cost effective. Group entities are required to manage their foreign exchange risk against their functional currency. Foreign currency borrowings are swapped into the entity's functional currency using cross-currency swaps except where the foreign currency borrowings are repaid with cash flows generated in the same foreign currency. The purpose of these hedges is to mitigate the impact of movements in foreign exchange rates on assets and liabilities and the profit and loss account of the Group.

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. At 31st December 2024, there are no significant monetary balances held by group companies that are denominated in a non-functional currency other than the cross-currency swap contracts with contract amounts of US\$2,100.0 million (2023: US\$2,500.0 million). Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

32 Financial Risk Management continued

Financial risk factors continued

i) Market risk continued

Foreign exchange risk continued

Since the Group manages the interdependencies between foreign exchange risk and interest rate risk of foreign currency borrowings using cross-currency swaps, the sensitivity analysis on financial impacts arising from cross-currency swaps is included in the sensitivity assessment on interest rates under the interest rate risk section.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of derivative financial instruments such as interest rate swaps. The Group monitors interest rate exposure on a monthly basis by currency and business unit, taking into consideration proposed financing and hedging arrangements. The Group's guideline is to maintain 40% to 60% of its gross borrowings in fixed rate instruments. At 31st December 2024, the Group's interest rate hedge was 68% (2023: 62%) with an average tenor of six years (2023: seven years). The interest rate profile of the Group's borrowings after taking into account hedging transactions are set out in Note 19.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by using forward rate agreements to a maturity of one year, and by entering into interest rate swaps for a maturity of up to five years. Forward rate agreements and interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Details of derivative financial statements are set out in Note 24.

Fair value interest rate risk is the risk that the value of a financial asset or liability and derivative financial instrument will fluctuate because of changes in market interest rates. The Group manages its fair value interest rate risk by entering into interest rate swaps which have the economic effect of converting borrowings from fixed rates to floating rates, to maintain the Group's fixed rate instruments within the Group's guideline.

At 31st December 2024, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit after tax would have been US\$2.4 million higher/lower (2023: US\$1.9 million lower/higher), and hedging reserve would have been US\$80.6 million higher/lower (2023: US\$103.8 million), as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in those interest rates which have the most impact on the Group, specifically the United States, Hong Kong, Chinese mainland and Singapore rates, over the period until the next annual balance sheet date. In the case of effective fair value hedges, changes in fair value of the hedged item caused by interest rate movements balance out in profit and loss account against changes in the fair value of the hedging instruments. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of profit after tax sensitivities. Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity-related sensitivity calculations.

ii) Credit risk

The Group's credit risk is primarily attributable to deposits with banks, credit exposures to customers and derivative financial instruments with a positive fair value. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

Notes to the Financial Statements

32 Financial Risk Management continued

Financial risk factors continued

ii) Credit risk continued

The Group manages its deposits with banks and financial institutions and transactions involving derivative financial instruments by monitoring credit ratings and capital adequacy ratios of counterparties, and limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. Similarly transactions involving derivative financial instruments are with banks with sound credit ratings and capital adequacy ratios. In developing countries it may be necessary to deposit money with banks that have a lower credit rating, however the Group only enters into derivative transactions with counterparties which have credit ratings of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

In respect of credit exposures to customers, the Group has policies in place to ensure that investment properties are leased principally to corporate companies with appropriate credit history, and rental deposits in the form of cash or bank guarantee are usually received from tenants. The Group receives progress payments from sales of residential properties to individual customers prior to the completion of transactions. In the event of default by customers, the Group undertakes legal proceedings to recover the property. Amounts due from associates and joint ventures are generally supported by the underlying assets.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance.

iii) Liquidity risk

Prudent liquidity risk management includes managing the profile of debt maturities and funding sources, maintaining sufficient cash, and ensuring the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group's ability to fund its existing and prospective debt requirements is managed by maintaining diversified funding sources with adequate committed funding lines from high quality lenders, and by monitoring rolling short-term forecasts of the Group's cash and gross debt on the basis of expected cash flows. In addition long-term cash flows are projected to assist with the Group's long-term debt financing plans.

At 31st December 2024, total committed and uncommitted borrowing facilities amounted to US\$8,340.6 million (2023: US\$9,672.0 million) of which US\$6,165.3 million (2023: US\$6,567.2 million) was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities, totalled US\$1,970.9 million (2023: US\$2,895.2 million). Undrawn uncommitted facilities in the form of revolving credit loan facilities, amounted to US\$204.4 million (2023: US\$209.6 million).

The following table analyses the Group's non-derivative financial liabilities, including borrowings, trade and other creditors, tenants' deposits, lease liabilities and gross-settled financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within one year US\$m	Between one and two years US\$m	Between two and three years US\$m	Between three and four years US\$m	Between four and five years US\$m	Beyond five years US\$m	Total undiscounted cash flows US\$m
2024							
Borrowings	1,033.9	629.1	951.4	734.1	443.8	3,548.8	7,341.1
Creditors	1,343.6	891.1	38.0	20.4	9.5	44.5	2,347.1
Gross settled derivative financial instruments							
- inflow	670.4	49.5	49.5	49.5	49.5	1,598.5	2,466.9
- outflow	(669.4)	(50.2)	(50.2)	(50.2)	(50.2)	(1,598.9)	(2,469.1)
2023							
Borrowings	1,012.6	1,666.9	651.6	372.1	359.0	3,805.6	7,867.8
Creditors	1,415.4	913.9	33.4	22.3	15.7	45.7	2,446.4
Gross settled derivative financial instruments							
- inflow	477.3	670.4	49.5	49.5	49.5	1,648.2	2,944.4
- outflow	(472.4)	(665.1)	(49.8)	(49.8)	(49.8)	(1,638.7)	(2,925.6)

32 Financial Risk Management continued

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst seeking to maximise benefits to shareholders and other stakeholders. Capital is equity as shown in the consolidated balance sheet plus net debt.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, purchase Group shares, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group does not have a defined dividend policy or share repurchase plan.

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less bank balances (including balances classified as asset held for sale). Interest cover is calculated as underlying operating profit and the Group's share of underlying operating profit of associates and joint ventures divided by net financing charges including the Group's share of net financing charges within associates and joint ventures. The Group does not have a defined gearing or interest cover benchmark or range.

The ratios at 31st December 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Gearing ratio (%)	17	17
Interest cover (times)	3.6	4.3

Fair value estimation

- i) Financial instruments that are measured at fair value in the balance sheet based on inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly ('observable current market transactions')

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 are calculated by reference to market interest rates.

	<u>Observable current market transactions</u>	
	<u>2024</u>	<u>2023</u>
	<u>US\$m</u>	<u>US\$m</u>
Assets		
Derivative designated at fair value		
- through other comprehensive income	0.2	2.7
- through profit and loss	-	1.3
	<u>0.2</u>	<u>4.0</u>
Liabilities		
Derivative designated at fair value		
- through other comprehensive income	<u>(65.8)</u>	<u>(62.0)</u>

There were no changes in valuation techniques during the year.

- ii) Financial instruments that are not measured at fair value

The fair values of current debtors, bank balances, current creditors, current borrowings and current lease liabilities 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. The fair values of non-current lease liabilities are estimated using the expected future payments discounted at market interest rates.

Notes to the Financial Statements

32 Financial Risk Management continued

Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 31st December 2024 and 2023 are as follows:

	Fair value of hedging instruments US\$m	Financial assets at amortised costs US\$m	Other financial liabilities US\$m	Total carrying amount US\$m	Fair value US\$m
2024					
Financial assets measured at fair value					
Derivative financial instruments	0.2	-	-	0.2	0.2
Financial assets not measured at fair value					
Amounts due from associates and joint ventures	-	1,915.3	-	1,915.3	1,915.3
Debtors	-	235.9	-	235.9	235.9
Bank balances	-	1,073.4	-	1,073.4	1,073.4
	-	3,224.6	-	3,224.6	3,224.6
Financial liabilities measured at fair value					
Derivative financial instruments	(65.8)	-	(65.8)	(65.8)	(65.8)
Financial liabilities not measured at fair value					
Borrowings	-	-	(6,165.3)	(6,165.3)	(5,935.6)
Creditors	-	-	(2,347.1)	(2,347.1)	(2,347.1)
	-	-	(8,512.4)	(8,512.4)	(8,282.7)
2023					
Financial assets measured at fair value					
Derivative financial instruments	4.0	-	-	4.0	4.0
Financial assets not measured at fair value					
Amounts due from associates and joint ventures	-	2,269.7	-	2,269.7	2,269.7
Debtors	-	245.1	-	245.1	245.1
Bank balances	-	1,195.6	-	1,195.6	1,195.6
	-	3,710.4	-	3,710.4	3,710.4
Financial liabilities measured at fair value					
Derivative financial instruments	(62.0)	-	-	(62.0)	(62.0)
Financial liabilities not measured at fair value					
Borrowings	-	-	(6,566.9)	(6,566.9)	(6,326.5)
Creditors	-	-	(2,446.4)	(2,446.4)	(2,446.4)
	-	-	(9,013.3)	(9,013.3)	(8,772.9)

33 Critical Accounting Estimates and Judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable according to circumstances and conditions available. The existing and potential impacts arising from climate change have been considered when applying estimates and assumptions in the preparation of the financial statements, including the Group's assessment of impairment of assets and the independent valuers' valuation of the Group's investment properties.

The estimates and assumptions that have a significant effect on the reported amounts of assets and liabilities, and income and expenses are discussed below.

33 Critical Accounting Estimates and Judgements continued

Significant areas of estimation uncertainty

Acquisition of subsidiaries, associates and joint ventures

The initial accounting on the acquisition of subsidiaries, associates and joint ventures involves identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entities. The fair values of tangible assets, right-of-use assets and investment properties are determined by independent valuers by reference to market prices or present value of expected net cash flows from the assets. Any changes in the assumptions used and estimates made in determining the fair values, and management's ability to measure reliably the contingent liabilities of the acquired entity will impact the carrying amount of these assets and liabilities.

On initial acquisition or acquisition of further interests in an entity, an assessment of the level of control or influence exercised by the Group is required. For entities where the Group has a shareholding of less than 50%, an assessment of the Group's level of voting rights, board representation and other indicators of influence is performed to consider whether the Group has de facto control, requiring consolidation of that entity, or significant influence, requiring classification as an associate, or joint control, requiring classification as a joint venture.

Investment properties

The fair values of investment properties are determined by independent valuers on an open market for existing use basis calculated on the discounted net income allowing for reversionary potential. For investment properties in Hong Kong, Chinese mainland and Singapore, capitalisation rates in the range of 2.90% to 3.50% for office (2023: 2.90% to 3.50%) and 3.50% to 5.00% for retail (2023: 3.75% to 5.00%) are used in the fair value determination.

Consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet date and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

The independent valuers have considered climate change, sustainability, resilience and environmental, social and governance ("ESG") within their valuations. Properties held by the Group are considered to currently display ESG characteristics that would be expected in the market, and therefore there were no direct and tangible pricing adjustments required to the valuation of investment properties. The Group will monitor these considerations for each reporting period.

Properties for Sale

The Group assesses the carrying amounts of properties for sale held by both subsidiaries and joint ventures according to their estimated net realisable value, taking into account construction costs to complete based on the existing development plans, and an estimation of future selling prices based on properties of comparable locations and conditions. Write-downs are made when events or changes in circumstances indicate that the carrying amounts may not be realised.

Given the significant market volatility in the Chinese mainland property market, the Group considers that selling price is a significant estimate in determining the net realisable value of certain properties for sale.

Notes to the Financial Statements

33 Critical Accounting Estimates and Judgements continued

Significant areas of estimation uncertainty continued

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of its fair value less costs to sell and its value-in-use, calculated on the basis of management's assumptions and estimates. Changing the key assumptions, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the value-in-use calculations.

Significant areas of judgement

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the balance sheet date (see Note 13).

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Provision of deferred tax follows the way management expects to recover or settle the carrying amount of the related assets or liabilities, which the management may expect to recover through use, sale or combination of both. Accordingly, deferred tax will be calculated at income tax rate, capital gains tax rate or combination of both. There is a rebuttable presumption in International Financial Reporting Standards that investment properties measured at fair value are recovered through sale. Thus deferred tax on revaluation of investment properties held by the Group are calculated at the capital gain tax rate.

Recognition of deferred tax assets, which principally relate to tax losses, depends on the management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

Revenue Recognition

The Group uses the percentage of completion method to account for its contract revenue of certain properties sales. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and the work of specialists.

Non-trading items

The Group uses underlying business performance in its internal financial reporting to distinguish between the underlying profits and non-trading items. The identification of non-trading items requires judgement by management, but follows the consistent methodology as set out in the Group's accounting policies.