



HIGHLIGHTS OF 2023 FINAL RESULTS

| | Note | For the year ended 31 December | | Change |
|---|------|--------------------------------|--------------------------------|------------------------------|
| | | 2023 HK\$ million | 2022 HK\$ million | |
| Property development | | | | |
| – Revenue | 1 | 24,260 | 23,335 | +4.0% |
| – Pre-tax profit contribution | 1 | 4,295 | 5,552 | -22.6% |
| Property leasing | | | | |
| – Gross rental income | 1 | 8,843 | 8,528 | +3.7% |
| – Pre-tax net rental income | 1 | 6,422 | 6,212 | +3.4% |
| Profit attributable to equity shareholders | | | | |
| – Underlying profit | 2 | 9,706 | 9,629 | +0.8% |
| – Reported profit | | 9,261 | 9,239 | +0.2% |
| | | HK\$ | HK\$ | |
| Earnings per share | | | | |
| – Based on underlying profit | 2, 3 | 2.00 | 1.99 | |
| – Based on reported profit | 3 | 1.91 | 1.91 | |
| Dividends per share | | 1.80 | 1.80 | No change |
| | | At 31 December 2023 HK\$ | At 31 December 2022 HK\$ | Change |
| Net asset value per share | 3 | 67.45 | 67.74 | -0.4% |
| Net debt to shareholders’ equity | | 22.6% | 24.1% | -1.5 percentage points |
| | | Million square feet | Million square feet | |
| Properties in Hong Kong | | | | |
| Land bank (attributable floor area) | | | | |
| – Projects pending/under development | 4 | 8.6 | 13.7 | |
| – Unsold units of major development projects offered for sale | | 1.5 | 1.3 | |
| Sub-total: | | 10.1 | 15.0 | |
| – Completed investment properties (including hotels) | | 10.4 | 10.2 | |
| Total: | | 20.5 | 25.2 | |
| New Territories land (attributable land area) | | 45.8 | 45.0 | |
| Properties in Mainland China | | | | |
| Land bank (attributable floor area) | | | | |
| – Projects pending/under development | | 16.9 | 21.8 | |
| – Completed stock for sale | | 1.5 | 0.8 | |
| – Completed investment properties | | 13.0 | 12.5 | |
| Total: | | 31.4 | 35.1 | |

Note 1: This amount includes the Group’s attributable share of contributions from subsidiaries, associates and joint ventures (“JVs”).

Note 2: Excluding the Group’s attributable share of fair value change (net of tax) of the investment properties held by subsidiaries, associates and JVs.

Note 3: The earnings per share were calculated based on the weighted average number of shares under Hong Kong Accounting Standard 33, “Earnings Per Share”. The net asset value per share was calculated based on the number of issued shares outstanding at 31 December 2023 and 31 December 2022.

Note 4: Including the total attributable developable area of about 0.4 million sq. ft., which is subject to finalisation of land premium.

CHAIRMEN’S STATEMENT HIGHLIGHTS

The Group’s underlying profit ^(Note 2) attributable to equity shareholders for the year ended 31 December 2023 amounted to HK\$9,706 million, representing a year-on-year increase of 0.8%. The profit in 2023 included a net gain of HK\$1,591 million from the remeasurement of the net assets of Sunlight Real Estate Investment Trust, a listed associate of the Company since 30 June 2023, to fair value using the equity method. Taking into account the fair value loss after revaluation of the Group’s completed investment properties and investment properties under development, the Group’s reported profit attributable to equity shareholders for the year under review amounted to HK\$9,261 million, representing a year-on-year increase of 0.2%.

In the 2024-25 Budget unveiled at the end of last month, the Government announced the abolition of all demand-side management measures for residential properties. The Special Stamp Duty, the Buyer’s Stamp Duty and the New Residential Stamp Duty will no longer be charged on all residential property transactions. Meanwhile, the Hong Kong Monetary Authority relaxed the supervisory measures for property mortgage loans. Both initiatives were conducive to the purchase of new and replacement homes for local residents and encouraged Mainland talents and professionals to work and buy their own homes in Hong Kong. Property transaction volume increased in the past three weeks. The property market has bottomed out and stabilised. During the three weeks after the Financial Secretary announced the abolition of certain stamp duty measures for residential property transactions, the Group sold a total of 946 residential units, with a total sales of HK\$5,899 million.

Aside from the land lots in Fanling North and Kwu Tung North New Development Areas, which will be resumed by the Government by payment of cash compensation, the Group still has land reserves in the New Territories of about 45 million square feet which continues to be the largest holding among all property developers in Hong Kong. As regards new urban redevelopment projects with 80% to 100% ownership interest acquired, there is a total of 22 projects with an expected total gross floor area of about 2.4 million square feet attributable to the Group. The Group has built up a substantial land bank, which is sufficient for the Group’s property development in the years to come.

The Group’s three major business pillars:

As regards “**property sales**”, following the launch of “Belgravia Place” (Phase 1) in Cheung Sha Wan, the Group plans to launch twelve other development projects in 2024. Together with the unsold stock, a total of about 3,110,000 square feet of residential gross floor area or about 7,100 residential units attributable to the Group are expected to be available for sale in Hong Kong in 2024. Meanwhile, about 180,000 square feet of office/industrial space is also available for sale. The disposal of the company holding “Harbour East” was completed in January 2024 and the related underlying profit of about HK\$1,407 million will be accounted for in 2024. Apart from “Harbour East”, attributable sales of Hong Kong and mainland properties, which were not accounted for in 2023, amounted to approximately HK\$17,737 million, of which approximately HK\$13,617 million is expected to be recognised as revenue in 2024 upon completion of the relevant developments and handover of the completed units to buyers.

As regards “**rental business**”, with the completion of the Group’s 465,000-square-foot super Grade-A office development in Central (namely “The Henderson”) in January 2024, to-date the Group holds a total attributable gross floor area of approximately 10.2 million square feet in completed investment properties in Hong Kong, plus approximately 13.0 million square feet of completed investment properties across various major cities in mainland China. In addition, another landmark development in Hong Kong’s Central Business District, namely the 1,600,000-square-foot project at Site 3 of the New Central Harbourfront, is under construction and progressing smoothly. The Group’s continually expanding investment property portfolio with a more optimal composition will give a further impetus to its recurrent income growth.

The “**listed subsidiaries and associates**”, in particular, HKCG, provide the Group with another source of recurrent income. HKCG had 774 projects covering 29 province-level divisions in mainland China as at the end of December 2023. HKCG, which has more than 42.2 million piped-gas customers in Hong Kong and mainland China, will continue to develop the city-gas market and expand its renewable energy portfolio and is poised to deliver satisfactory income to the Group.

With the Group’s ample financial resources and astute management of three core businesses (namely, “**property sales**”, “**rental business**” and “**listed subsidiaries and associates**”) by its experienced professional team, Henderson Land is well-placed to pursue sustainable growth, thereby creating ever-improving value for its stakeholders.

Dr Lee Ka Kit
Chairman
Dr Lee Ka Shing
Chairman
Hong Kong, 21 March 2024

The information in this advertisement does not constitute a statutory results announcement. The results announcement is available on the Company’s website at www.hld.com and on Hong Kong Exchanges and Clearing Limited’s HKEXnews at www.hkexnews.hk.