

NEWS RELEASE

To: Business Editor

6th March 2007

For immediate release

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

**HONGKONG LAND HOLDINGS LIMITED
2006 PRELIMINARY ANNOUNCEMENT OF RESULTS**
Highlights

- Capital values and rents continue to rise
- Adjusted net assets per share* up 23%
- Highly successful residential sales in Singapore and Macau
- Full year dividend per share increased by 25% to US¢10

“The prospects for Hongkong Land are encouraging on a number of fronts. The office leasing reversion cycle in Hong Kong will continue to benefit income in the period ahead, at the same time as the retail element of our portfolio is performing strongly. This positive trend in our commercial portfolio will be complemented in the coming years by the recognition of profits on residential sales already achieved.”

Simon Keswick, *Chairman*
6th March 2007

Results

	Year ended 31st December		Change %
	2006 US\$m	2005 US\$m	
Underlying profit attributable to shareholders	245	188	+31
Profit attributable to shareholders	1,901	2,061	-8
Shareholders' funds	9,197	7,215	+27
Adjusted shareholders' funds*	10,922	8,592	+27
	US¢	US¢	%
Underlying earnings per share	10.98	8.42	+30
Earnings per share	85.31	92.58	-8
Dividends per share	10.00	8.00	+25
	US\$	US\$	%
Net asset value per share	4.01	3.24	+24
Adjusted net asset value per share*	4.76	3.86	+23

* In preparing the Group's financial statements under International Financial Reporting Standards ('IFRS'), the fair value model for investment properties has been adopted. In accordance with this model, the Group's investment properties have been included at their open market value as determined by independent valuers. As there is no capital gains tax in territories where the Group has significant leasehold investment properties, no tax would be payable if those properties were to be sold at the amounts included in the financial statements. In relation to leasehold investment properties, however, IFRS require deferred tax on any revaluation amount to be calculated using income tax rates. This is in contrast to the treatment for the revaluation element of freehold properties where IFRS require capital gains tax rates to be used.

As Management considers that the Group's long leasehold properties have very similar characteristics to freehold property, the adjusted shareholders' funds and adjusted net asset value per share information is presented on the basis that would be applicable if the leasehold properties were freeholds. The adjustments made add back the deferred tax provided in the financial statements that would not have been provided if the properties were freeholds, which in any event would not be payable on a sale of the properties.

The final dividend of US¢7.00 per share will be payable on 16th May 2007, subject to approval at the Annual General Meeting to be held on 9th May 2007, to shareholders on the register of members at the close of business on 23rd March 2007. The ex-dividend date will be on 21st March 2007, and the share registers will be closed from 26th to 30th March 2007, inclusive.

- more -

Issued by: **Hongkong Land Limited**

Incorporated in Bermuda with limited liability

8th Floor, One Exchange Square, Hong Kong

www.hkland.com

HONGKONG LAND HOLDINGS LIMITED

PRELIMINARY ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2006

OVERVIEW

Broad-based demand and shrinking supply in Hong Kong's Central district drove rents and capital values higher in both the office and retail sectors. With its tenant base performing strongly, the rental premium commanded by Central locations compared with decentralised districts has grown further.

PERFORMANCE

With rents rising throughout the year, net rental income improved by 25% compared with 2005. The Group's residential property business also saw a strong increase in earnings; largely due to the first contribution from MCL Land, the Singapore developer in which the Group acquired a 77% interest in February 2006. Partially offsetting revenue growth, the financing charge rose because of increasing interest rates and higher debt levels, the latter largely reflecting the cost of acquisition of MCL Land. Overall, underlying profit rose 31% to US\$245 million.

Capital values in the portfolio continued to rise, although at a slightly slower pace than in the prior year. The independent valuation of the Group's investment assets ended the year at US\$11,651 million, a 21% increase over the end of 2005, resulting in an increase in adjusted net asset value per share of 23% to US\$4.76. Net profit, including the revaluation, was US\$1,901 million, a reduction of 8% on the prior year because of the larger valuation surplus in that year.

Following an increase in the interim dividend to US¢3.00 per share, the Directors are recommending a final dividend of US¢7.00 per share, providing a total dividend for the year of US¢10.00 per share, an increase of 25% on 2005.

GROUP REVIEW

2006 represented the third year of rising rents since the recovery in Hong Kong's Central district's office market began towards the end of 2003. Rents and occupancy are now

approaching levels last seen in the strong market of a decade ago. Demand for high quality commercial space is both broad-based by sector and founded on good business performance in a tenant base that is placing an increasing premium on being located in Central.

The luxury sector of the retail market had a good year as well, with the world-class quality of the new stores in Central attracting increasing attention.

The Singapore office market also experienced rapidly rising rents, as demand from the financial sector quickly absorbed supply. This included the stock provided by the Group's new joint venture development at One Raffles Quay, which was fully let on completion in October.

The Group's residential business had a quiet year for completions in both its existing business and the newly acquired MCL Land portfolio. In terms of sales, however, the year was highly successful. The Group's developments at One Central in Macau (where the Group is joint venturing with Shun Tak) and Marina Bay Residences in Singapore (with partners Cheung Kong and Keppel Land) were substantially sold within days of being launched. The Group's joint venture at Central Park in Beijing experienced a quieter launch of the final phase of that development in October.

OUTLOOK

In conclusion, the Chairman, Simon Keswick said, "The prospects for Hongkong Land are encouraging on a number of fronts. The office leasing reversion cycle in Hong Kong will continue to benefit income in the period ahead, at the same time as the retail element of our portfolio is performing strongly. This positive trend in our commercial portfolio will be complemented in the coming years by the recognition of profits on residential sales already achieved."

CHIEF EXECUTIVE'S REVIEW

STRATEGIC FOCUS

The overriding strategic requirement for the Group is to maximise the value of its core Hong Kong investment portfolio. As we move towards the completion of our programme of work in The Landmark complex, our portfolio leads the market in underlining Central's position as the undisputed luxury retail destination in Hong Kong, complementing its historic role as the city's centre for international business. The work we are undertaking to upgrade the street environment outside our buildings in Central also plays an important part in raising the value of the Central District, not only for Hongkong Land but the community at large.

Our strategy of broadening our commercial business regionally is gaining momentum. One Raffles Quay in Singapore is now complete and fully let, and together with the Marina Bay Financial Centre ('MBFC') will provide the Group with critical mass in a second key Asian market. This will enable us to contribute to, and participate in, the growth of value in Singapore, as that city continues to upgrade its position in the region.

Our third strategic aim has been to grow our residential business so that it can begin to make a significant, yet capital-efficient, contribution to profit. The successful launches of our joint venture developments in Macau, Singapore and Beijing have demonstrated that the value of the Hongkong Land brand can be extended beyond our reputation in the commercial sector into the residential market. Our new 77%-owned subsidiary, MCL Land, gives us critical mass in this market in South East Asia and will contribute its own profit stream in the years ahead.

COMMERCIAL PROPERTY

Central Portfolio

The up-cycle in office rents in the Central market in Hong Kong has entered its third year. This has enabled us to drive average rents up 28% in the course of 2006, while holding vacancy, 4.5% at the year end, at broadly the same level as the end of 2005, despite adding 2.8% by area to our portfolio with the completion of York House.

The strength of demand for high quality centrally-located offices in the current period of limited supply continues to support rents in the District. With significant supply expected to be completed over the next 18 months in a number of decentralised locations, tenants can anticipate having a broader range of options. However, the size of the rental premium Central is commanding over decentralised areas indicates the strength of the preference of many tenants for a Central location where this is available.

The reversion pattern in our portfolio has been strongly positive since mid-2005, and is expected to continue so for some time, with market rents now exceeding HK\$100 psf per month in premium buildings.

York House received its full Occupation Permit in November. By the end of the year, the office portion of the building was 30% committed, while the retail podium was fully let, enabling the building to increase its contribution to revenue in 2007.

At the close of the year, we agreed a sale of 1063 King's Road, the development in Island East which was completed in 1999. This transaction closed in February 2007. The sale of this non-core asset leaves our commercial portfolio in Hong Kong focused exclusively in Central.

The luxury retail sector generated increased sales in 2006, enjoying a particularly buoyant close to the year, with an exceptional Christmas season. The extensive renovation of The Landmark over the last two years was completed in time for this crucial retail sales period, and helped our tenant base to take advantage of it.

The quality of the retail environment we are now able to provide, supported by the improved streetscape around our Central portfolio, has been complemented by the creation of a generation of new flagship stores for the leading luxury brands. The success of The Landmark Mandarin Oriental which opened in Edinburgh Tower in September 2005 has added another luxury component to the district, now further supported by the re-opening of the original Mandarin Oriental, Hong Kong after an extensive renovation.

Commercial Properties Outside Hong Kong

The Singapore market is of growing significance to the Group. One Raffles Link, our wholly owned development in the city, remains fully let and has now been joined in our investment portfolio by our interest in One Raffles Quay, a joint venture development with Cheung Kong and Keppel Land. This gateway development to the new Marina Bay district received its full Occupation Permit in October and was 100% pre-let. A number of tenants were already operating by the year end, while the remainder are currently fitting out their premises. Amid strong demand for high quality office space in Singapore, the Group, together with the same consortium of partners, has begun construction of the first phase of the MBFC, which was formally launched by the Minister for National Development, Mah Bow Tan, in October. The office portion of this phase comprises 180,000 sq. m of GFA and will be completed in 2010. The option to acquire the second phase of the MBFC, which can accommodate up to a further 194,000 sq. m of GFA, was exercised by the consortium in February 2007.

Our prime retail portfolio in Hong Kong will be joined in 2009 by 37,000 sq. m of luxury retail which we are building in Macau at One Central, our joint venture development with Shun Tak in the heart of the Macau peninsula. The development will also include a Mandarin Oriental hotel and serviced apartments.

Our commercial portfolio elsewhere in the region is located in Hanoi, Bangkok and Jakarta. Our two buildings in Hanoi were 100% let at the year end in a market of firming rents. In Bangkok our 49% interest in Gaysorn, a luxury retail centre, is experiencing weaker footfall amid the negative factors in the Thai market. Jakarta Land's portfolio saw an improvement in both occupancy and rents, and during the year we increased our interest to 50%.

RESIDENTIAL PROPERTY

The profit contributed by our residential business in 2006 more than doubled to US\$43 million compared with the prior year. This was entirely due to the first contribution from our newly acquired Singapore subsidiary, MCL Land. Within our directly held developments, there were no completions during the year, limiting profit generation to the disposal of a further four residential and two shop units in our Hong Kong development at Ivy on Belcher's. From a sales perspective, however, we had an exceptional year. Three developments were launched in the last quarter.

Our joint venture with Shun Tak Holdings at One Central Macau pre-sold over 95% of its 796 residential units. Two towers in the seven-tower development were sold, en bloc, in separate transactions to European investment funds in the period prior to public launch. The balance of the units were then sold very rapidly after the public launch in November. The construction is on plan and expected to be completed in 2009.

In Singapore, the residential component of the first phase of the MBFC, to be named Marina Bay Residences and comprising 428 units, was substantially pre-sold within days of launch at record prices. Completion and handover of these apartments is projected for 2010.

The final phase of Central Park, our joint venture development in Beijing, was launched for pre-sale in the last quarter of the year. The 490 units will be released for sale in small batches due to the much less active market in the city following the range of measures announced by the Government designed to cool off the previously rapid growth of some sectors of the market. This fourth phase of Central Park is projected to complete in 2008, while construction of Phase III is on programme for completion in 2007 and is largely pre-sold.

Elsewhere in Mainland China, construction began on Phase I of Bamboo Grove, our joint venture with the Longhu Group in Chongqing. This phase comprises some 650 units and will be the first of a number of phases on this large site with a total land area of some 780,000 sq. m.

In the Philippines, sales at Roxas Triangle in Manila are now nearing completion, with only five of the 182 units remaining. Our other Philippines interest is our 40% holding in NorthPine Land, previously trading as Jardine Land. This business booked a small profit for the year. The final element of our residential business, our joint venture property fund, Grosvenor Land, realised three further investments during 2006, and now holds three properties, which are planned to be sold during 2007.

MCL LAND

MCL Land experienced an excellent year for sales, though a modest year for profit. The only developments completed during 2006 were MeraPrime in Singapore and the Desa Putra/Desa Villas complex in Malaysia. The Group's profit booked in relation to MCL Land was in part

due to these developments and in part due to the negative goodwill arising on acquisition of our 77% interest in February.

From a sales perspective, by the end of the year MCL Land had completed the pre-sale of almost all units in the six developments it has launched in Singapore. The profit from these developments will benefit the Group's earnings over the period 2007 to 2009. Further projects, relating to land bank secured in 2006, will be launched during 2007.

FINANCE

Two major syndicated loan facility commitments were signed during the year; a 7-year HK\$7.5 billion transaction in Hong Kong and a 5-year S\$800 million facility in Singapore. The proceeds from both will largely be used for the refinancing of existing lines at lower margins, but will also provide facilities to finance further capital commitments, particularly at the MBFC in Singapore.

In December, a wholly-owned subsidiary of Hongkong Land sold some 3% of Hongkong Land's existing share capital to Jardine Strategic Holdings at the prevailing market price to raise US\$269 million. The funds will help broaden the Group's finance base and enhance its ability to invest in attractive emerging opportunities.

OUTLOOK

With Hong Kong Central commanding premium rents at a time of limited supply in the district beyond 2010, the outlook for investment income is very positive. New developments will complete in Hong Kong, Singapore and Macau over the medium term, further supporting our commercial revenues. Our success in residential sales in Macau, Singapore and Mainland China will add an additional stream of profits in the later years of the decade.

Nicholas Sallnow-Smith

Chief Executive

6th March 2007

Hongkong Land Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2006

	2006 US\$m	2005 US\$m
Revenue (<i>note 2</i>)	555.9	367.6
Cost of sales	(197.5)	(95.7)
Gross profit	358.4	271.9
Other income	23.0	-
Administrative and other expenses	(33.7)	(28.2)
	347.7	243.7
Increase in fair value of investment properties	1,952.6	2,367.9
Asset impairment provisions, reversals and disposals (<i>note 3</i>)	(5.8)	11.1
Operating profit (<i>note 4</i>)	2,294.5	2,622.7
Net financing charges	(72.3)	(39.3)
Share of results of joint ventures excluding change in fair value of investment properties	0.9	9.1
Share of change in fair value of investment properties of joint ventures	49.8	0.9
Share of results of joint ventures (<i>note 5</i>)	50.7	10.0
Profit before tax	2,272.9	2,593.4
Tax (<i>note 6</i>)	(365.5)	(532.6)
Profit for the year	1,907.4	2,060.8
Attributable to:		
Shareholders of the Company	1,900.9	2,060.5
Minority interests	6.5	0.3
	1,907.4	2,060.8
	US¢	US¢
Earnings per share (<i>note 7</i>)		
- basic	85.31	92.58
- diluted	82.35	92.48
Underlying earnings per share (<i>note 7</i>)	10.98	8.42

Hongkong Land Holdings Limited
Consolidated Balance Sheet
at 31st December 2006

	2006 US\$m	2005 US\$m
Net operating assets		
Investment properties	11,650.7	9,778.7
Others	13.1	12.3
	11,663.8	9,791.0
Tangible assets (<i>note 8</i>)	11,663.8	9,791.0
Joint ventures	894.5	638.8
Other investments	16.1	49.5
Deferred tax assets	0.5	1.6
Pension assets	13.9	10.8
Other non-current assets	22.9	47.7
Non-current assets	12,611.7	10,539.4
Properties for sale	800.3	87.2
Debtors, prepayments and others	208.0	97.2
Bank balances	1,166.5	1,092.8
	2,174.8	1,277.2
Non-current assets classified as held for sale (<i>note 9</i>)	188.8	-
Current assets	2,363.6	1,277.2
Creditors and accruals	(403.4)	(232.7)
Current borrowings (<i>note 10</i>)	(116.8)	(379.0)
Current tax liabilities	(25.8)	(8.6)
	(546.0)	(620.3)
Liabilities directly associated with non-current assets classified as held for sale (<i>note 9</i>)	(3.0)	-
Current liabilities	(549.0)	(620.3)
Net current assets	1,814.6	656.9
Long-term borrowings (<i>note 10</i>)	(3,361.9)	(2,568.6)
Deferred tax liabilities	(1,739.6)	(1,400.6)
Other non-current liabilities	(21.3)	(10.4)
	9,303.5	7,216.7
Total equity		
Share capital	229.5	229.5
Revenue and other reserves	8,967.8	7,063.5
Own shares held	-	(77.7)
Shareholders' funds	9,197.3	7,215.3
Minority interests	106.2	1.4
	9,303.5	7,216.7

Hongkong Land Holdings Limited
Consolidated Statement of Recognised Income and Expense
for the year ended 31st December 2006

	2006	2005
	US\$m	US\$m
Net exchange translation differences	22.3	11.0
Actuarial gains on defined benefit pension plans	3.5	1.4
Revaluation of other investments		
- fair value gains	2.7	4.6
- reversal of loss on business combination	0.6	-
Gain on sale of own shares held	190.8	-
(Losses)/gains on cash flow hedges	(24.7)	28.7
Tax on items taken directly to equity	2.4	(1.6)
	<hr/>	<hr/>
Net income recognised directly in equity	197.6	44.1
Transfer to consolidated profit and loss account on disposal of other investments	(3.0)	-
Transfer to consolidated profit and loss account in respect of cash flow hedges	9.1	(1.7)
Profit for the year	1,907.4	2,060.8
	<hr/>	<hr/>
Total recognised income and expense for the year	2,111.1	2,103.2
	<hr/>	<hr/>
Attributable to:		
Shareholders of the Company	2,104.6	2,102.9
Minority interests	6.5	0.3
	<hr/>	<hr/>
	2,111.1	2,103.2
	<hr/>	<hr/>

Hongkong Land Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2006

	2006 US\$m	2005 US\$m
Operating activities		
Operating profit	2,294.5	2,622.7
Depreciation	1.2	0.7
Negative goodwill on acquisition of a subsidiary	(14.1)	-
Increase in fair value of investment properties	(1,952.6)	(2,367.9)
Asset impairment provisions, reversals and disposals <i>(note 3)</i>	5.8	(11.1)
Increase in properties for sale	(262.5)	(16.7)
Increase in debtors, prepayments and others	(13.0)	(16.3)
Increase in creditors and accruals	77.1	6.7
Interest received	66.2	34.3
Interest and other financing charges paid	(121.8)	(76.4)
Tax paid	(12.5)	(22.6)
Dividends received	15.0	2.8
Cash flows from operating activities	83.3	156.2
Investing activities		
Major renovations expenditure	(33.5)	(14.5)
Developments capital expenditure	(40.1)	(78.5)
Purchase of a subsidiary <i>(note 13)</i>	(237.8)	-
Investments in and loans to joint ventures	(167.3)	(335.9)
Purchase of other investments	-	(47.4)
Disposal of joint ventures and other investments	1.5	10.1
Deposit received for sale of an investment property	18.9	-
Cash flows from investing activities	(458.3)	(466.2)
Financing activities		
Net proceeds from issue of bonds	-	411.7
Net proceeds from issue of convertible bonds	-	395.2
Drawdown of bank loans	571.5	223.4
Repayment of bank loans/notes	(193.1)	(224.4)
Disposal of own shares held	268.5	-
Dividends paid by the Company	(199.1)	(155.5)
Dividends paid to minority shareholders	(2.7)	-
Cash flows from financing activities	445.1	650.4
Effect of exchange rate changes	3.7	1.8
Net increase in cash and cash equivalents	73.8	342.2
Cash and cash equivalents at 1st January	1,089.9	747.7
Cash and cash equivalents at 31st December	1,163.7	1,089.9

Hongkong Land Holdings Limited
Notes

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial information contained in this announcement has been based on the audited results for the year ended 31st December 2006 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

In 2006, the Group adopted the following amendments and interpretation to existing Standards which are relevant to its operations:

IAS 21 (amended 2005), Net Investment in a Foreign Operation

IAS 39 (amended 2005), Cash Flow Hedge Accounting of Forecast Intragroup Transactions

IAS 39 (amended 2005), The Fair Value Option

IAS 39 and IFRS 4 (amended 2005), Financial Guarantee Contracts

IFRIC 4, Determining whether an Arrangement contains a Lease

There have been no changes to the accounting policies as a result of adoption of the above amendments and interpretation.

2. REVENUE

	2006	2005
	US\$m	US\$m
<i>By business</i>		
Commercial property		
Rental income	346.4	279.4
Service income	95.3	68.4
	441.7	347.8
Residential property		
Rental income	2.3	1.3
Service and management charges	0.1	0.4
Sales of trading properties	111.8	18.1
	114.2	19.8
	555.9	367.6
<i>By geographical area</i>		
Hong Kong	427.0	349.2
Southeast Asia	128.9	18.4
	555.9	367.6

Service income in Commercial Property includes service and management charges and hospitality service income.

3. ASSET IMPAIRMENT PROVISIONS, REVERSALS AND DISPOSALS

	2006		2005	
	Gross US\$m	Net US\$m	Gross US\$m	Net US\$m
Asset impairment provisions	(7.2)	(7.2)	-	-
Asset impairment reversals	1.4	1.4	11.1	11.1
	(5.8)	(5.8)	11.1	11.1
<i>By business</i>				
Commercial property	(7.2)	(7.2)	-	-
Residential property	-	-	1.0	1.0
Corporate	1.4	1.4	10.1	10.1
	(5.8)	(5.8)	11.1	11.1

Gross asset impairment provisions, reversals and disposals are shown before net financing charges and tax. Net asset impairment provisions, reversals and disposals are shown after net financing charges, tax and minority interests.

4. OPERATING PROFIT

	2006 US\$m	2005 US\$m
<i>By business</i>		
Commercial property	332.4	255.5
Residential property	41.3	8.7
Corporate	(26.0)	(20.5)
	347.7	243.7
Increase in fair value of investment properties		
- Commercial property	1,953.1	2,367.9
- Residential property	(0.5)	-
	1,952.6	2,367.9
Asset impairment provisions, reversals and disposals (<i>note 3</i>)	(5.8)	11.1
	2,294.5	2,622.7

5. SHARE OF RESULTS OF JOINT VENTURES

	2006	2005
	US\$m	US\$m
<i>By business</i>		
Commercial property	(0.9)	2.0
Residential property	1.8	7.1
	0.9	9.1
Increase in fair value of investment properties		
- Commercial property	46.7	0.7
- Residential property	3.1	0.2
	49.8	0.9
	50.7	10.0

Results are shown after tax and minority interests.

6. TAX

	2006	2005
	US\$m	US\$m
Current tax	(21.8)	(21.3)
Deferred tax		
- increase in fair value of investment properties	(340.2)	(507.6)
- other temporary differences	(3.5)	(3.7)
	(343.7)	(511.3)
	(365.5)	(532.6)

Tax on profits is provided at the rates of taxation prevailing in the territories in which the Group operates. The Group has no tax payable in the United Kingdom.

7. EARNINGS PER SHARE

Basic earnings per share are calculated on profit attributable to shareholders of US\$1,900.9 million (2005: US\$2,060.5 million) and on the weighted average number of 2,228.1 million (2005: 2,225.6 million which excluded 69.6 million shares in the Company held by a wholly-owned subsidiary) shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$1,920.4 million (2005: US\$2,061.1 million), which is after adjusting for the effects of the conversion of convertible bonds, and on the weighted average number of 2,332.0 million (2005: 2,228.8 million) shares in issue during the year. The number of shares for basic and diluted earnings per share is reconciled as follows:

	Ordinary shares in millions	
	2006	2005
Weighted average number of shares in issue	2,228.1	2,225.6
Adjustment for shares to be issued on conversion of convertible bonds	103.9	3.2
Weighted average number of shares for diluted earnings per share	2,332.0	2,228.8

Earnings per share are additionally calculated based on underlying profit attributable to shareholders. The difference between underlying profit attributable to shareholders and profit attributable to shareholders is reconciled as follows:

	2006 US\$m	2005 US\$m
Underlying profit attributable to shareholders	244.7	187.5
Revaluation surpluses of investment properties	1,952.6	2,367.9
Deferred tax charges on revaluation surpluses of investment properties	(340.2)	(507.6)
Share of revaluation surpluses of investment properties of joint ventures (net of deferred tax)	49.8	0.9
Asset impairment provisions, reversals and disposals	(5.8)	11.1
Share of asset disposals of joint ventures	1.1	0.8
Minority interests	(1.3)	(0.1)
Profit attributable to shareholders	1,900.9	2,060.5
Interest expense on convertible bonds (net of tax)	19.5	0.6
Profit for calculation of diluted earnings per share	1,920.4	2,061.1

8. TANGIBLE ASSETS

	2006	2005
	US\$m	US\$m
Net book value at 1st January	9,791.0	7,300.7
Exchange rate adjustments	(0.5)	20.4
New subsidiary	25.9	-
Additions	85.2	102.7
Depreciation	(1.2)	(0.7)
Disposal	(0.3)	-
Net revaluation surplus	1,952.6	2,367.9
Classified as non-current assets held for sale	(187.8)	-
Transfer to properties for sale	(1.1)	-
Net book value at 31st December	11,663.8	9,791.0

9. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

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

	2006	2005
	US\$m	US\$m
Investment property	187.8	-
Current assets	1.0	-
Total assets	188.8	-
Current liabilities	(3.0)	-
	185.8	-

The non-current assets classified as held for sale at 31st December 2006 were related to the Group's investment property situated at 1063 King's Road, Hong Kong. The sale was completed on 9th February 2007 for a consideration of US\$189.4 million. Gain on disposal is estimated at US\$0.3 million net of transaction costs.

10. BORROWINGS

	2006 US\$m	2005 US\$m
<i>Current</i>		
Bank overdrafts	2.8	2.9
Short-term borrowings	103.2	77.4
Current portion of long-term borrowings	10.8	298.7
	116.8	379.0
<i>Long-term borrowings</i>		
Bank loans	1,467.7	705.1
7% United States Dollar bonds due 2011	617.2	625.0
5.5% United States Dollar bonds due 2014	487.5	493.1
3.01% Singapore Dollar notes due 2010	206.7	190.4
3.65% Singapore Dollar notes due 2015	242.2	222.9
2.75% United States Dollar convertible bonds due 2012	340.6	332.1
	3,361.9	2,568.6
	3,478.7	2,947.6
Secured	242.1	-
Unsecured	3,236.6	2,947.6
	3,478.7	2,947.6

11. NET ASSET VALUE PER SHARE

Net asset value per share is calculated on shareholders' funds of US\$9,197.3 million (2005: US\$7,215.3 million) and on 2,295.2 million (2005: 2,225.6 million which excluded 69.6 million shares in the Company held by a wholly-owned subsidiary) shares issued at year end.

Net asset value per share is additionally calculated based on adjusted shareholders' funds. The difference between adjusted shareholders' funds and shareholders' funds is reconciled as follows:

	2006 US\$m	2005 US\$m
Shareholders' funds	9,197.3	7,215.3
Deferred tax on revaluation surpluses of investment properties	1,708.1	1,371.7
Share of deferred tax on revaluation surpluses of investment properties of joint ventures	16.7	5.2
Adjusted shareholders' funds	10,922.1	8,592.2

12. DIVIDENDS

	2006	2005
	US\$m	US\$m
Final dividend in respect of 2005 of US¢6.00 (2004: US¢5.00) per share	133.5	111.3
Interim dividend in respect of 2006 of US¢3.00 (2005: US¢2.00) per share	66.8	44.5
	200.3	155.8

A final dividend in respect of 2006 of US¢7.00 (2005: US¢6.00) per share amounting to a total of US\$160.7 million (2005: US\$133.5 million) is proposed by the Board. The dividend proposed is not accounted for until it has been approved at the Annual General Meeting. The amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2007.

13. PURCHASE OF A SUBSIDIARY

	Book value	Fair value	Fair value
	US\$m	adjustments	US\$m
	US\$m	US\$m	US\$m
Investment properties	24.3	-	24.3
Other tangible assets	1.6	-	1.6
Joint ventures	34.8	1.8	36.6
Current assets	568.8	13.7	582.5
Current liabilities	(129.5)	-	(129.5)
Long-term borrowings	(88.9)	-	(88.9)
Deferred tax liabilities	(1.0)	(1.4)	(2.4)
Other non-current liabilities	(2.0)	-	(2.0)
Net assets	408.1	14.1	422.2
Adjustment for minority interests			(95.4)
Net assets acquired			326.8
Excess of net assets acquired over consideration			(14.1)
Total consideration			312.7
Adjustment for carrying value of other investments			(40.6)
Cash and cash equivalents acquired			(34.3)
Net cash outflow			237.8

14. CASH FLOW PER SHARE

Cash flow per share is based on cash flows from operating activities less major renovations expenditure amounting to US\$49.8 million (2005: US\$141.7 million) and is calculated on the weighted average number of 2,228.1 million (2005: 2,225.6 million which excluded 69.6 million shares in the Company held by a wholly-owned subsidiary) shares in issue during the year.

15. CAPITAL COMMITMENTS

	2006	2005
	US\$m	US\$m
Capital commitments	64.6	153.0
Contribution to joint ventures	1,060.3	479.1

16. CONTINGENT LIABILITIES

	2006	2005
	US\$m	US\$m
Guarantees in respect of facilities made available to joint ventures	4.9	8.0

Guarantees in respect of facilities made available to joint ventures are stated at their total respective contracted amounts. It is probable that the Group has no obligations under these guarantees.

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

The final dividend of US\$7.00 per share will be payable on 16th May 2007, subject to approval at the Annual General Meeting to be held on 9th May 2007, to shareholders on the register of members at the close of business on 23rd March 2007. The ex-dividend date will be on 21st March 2007, and the share registers will be closed from 26th to 30th March 2007, inclusive. Shareholders will receive their dividends in United States Dollars, unless they are registered on the Jersey branch register where they will have the option to elect for Sterling. These shareholders may make new currency elections by notifying the United Kingdom transfer agent in writing by 27th April 2007. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 2nd May 2007. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive United States Dollars unless they elect, through CDP, to receive Singapore Dollars.

For further information, please contact:

Hongkong Land Limited

N R Sallnow-Smith

(852) 2842 8300

G M Brown

(852) 2842 8138

GolinHarris

C T Hew

(852) 2522 7928

Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2006 can be accessed through the Internet at 'www.hkland.com'.

NOTE TO EDITORS

Hongkong Land is a leading property investment, management and development group with a major portfolio in Hong Kong, where it owns and manages some five million sq. ft of prime office and retail space in the heart of the Central business district. Established in 1889, the Company's business is built on partnership, integrity and excellence.

The Group also develops high quality commercial and residential property projects elsewhere in Asia and holds a 77% shareholding in Singapore-listed residential property developer, MCL Land. These assets are also managed from Hong Kong by Hongkong Land Limited, which provides services to Group companies.

Hongkong Land Holdings Limited is incorporated in Bermuda with its primary share listing in London. The Company's shares are also listed in Bermuda and Singapore. Hongkong Land is a member of the Jardine Matheson Group.