

2008 Half-Yearly Results



Hongkong Land



Agenda

- Highlights
- Commercial Property
- Residential Property
- Outlook
- Results



Highlights

- Positive rental reversions enhance earnings and asset values
- Good contribution from residential completions
- Underlying earnings per share up 56%
- Adjusted net assets per share up 11%
- Interim dividend up 50%



Commercial Property



Rental Portfolio ('000 sq. ft NFA)

| | Office | Retail | Hotel | Total |
|--------------------------------|---------------|---------------|--------------|--------------|
| Hong Kong | 4,242 | 626 | 143 | 5,011 |
| Singapore including 33% of ORQ | 680 | 73 | - | 753 |
| Hanoi | 106 | 11 | - | 117 |
| Jakarta 50% of Jakarta Land | 372 | 39 | - | 411 |
| Bangkok 49% of Gaysorn | 27 | 64 | - | 91 |
| Others | 58 | - | 216 | 274 |
| Total | 5,485 | 813 | 359 | 6,657 |



Under Development ('000 sq. ft GFA)

| | Office | Retail | Hotel | Total |
|--------------------------|---------------|---------------|--------------|--------------|
| Singapore 33% of MBFC | 1,151 | 65 | - | 1,216 |
| Macau 49% of One Central | - | 195 | 159 | 354 |
| Total | 1,151 | 260 | 159 | 1,570 |



2008 Hong Kong Central Grade “A” Market

- Rents +19.1%
- Capital values +8.8%
- Vacancy at 30 June 1.3%

Source: Jones Lang LaSalle

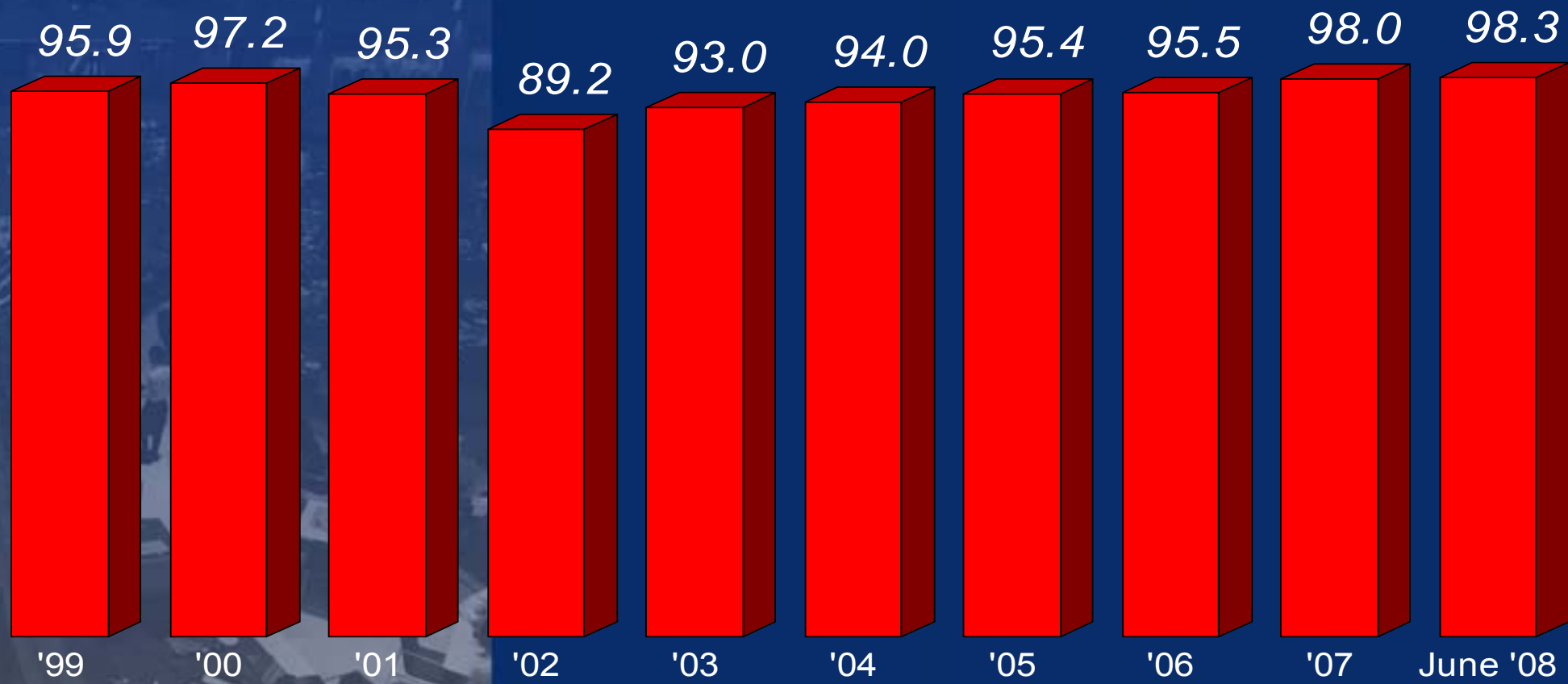


Hongkong Land Central Portfolio Performance

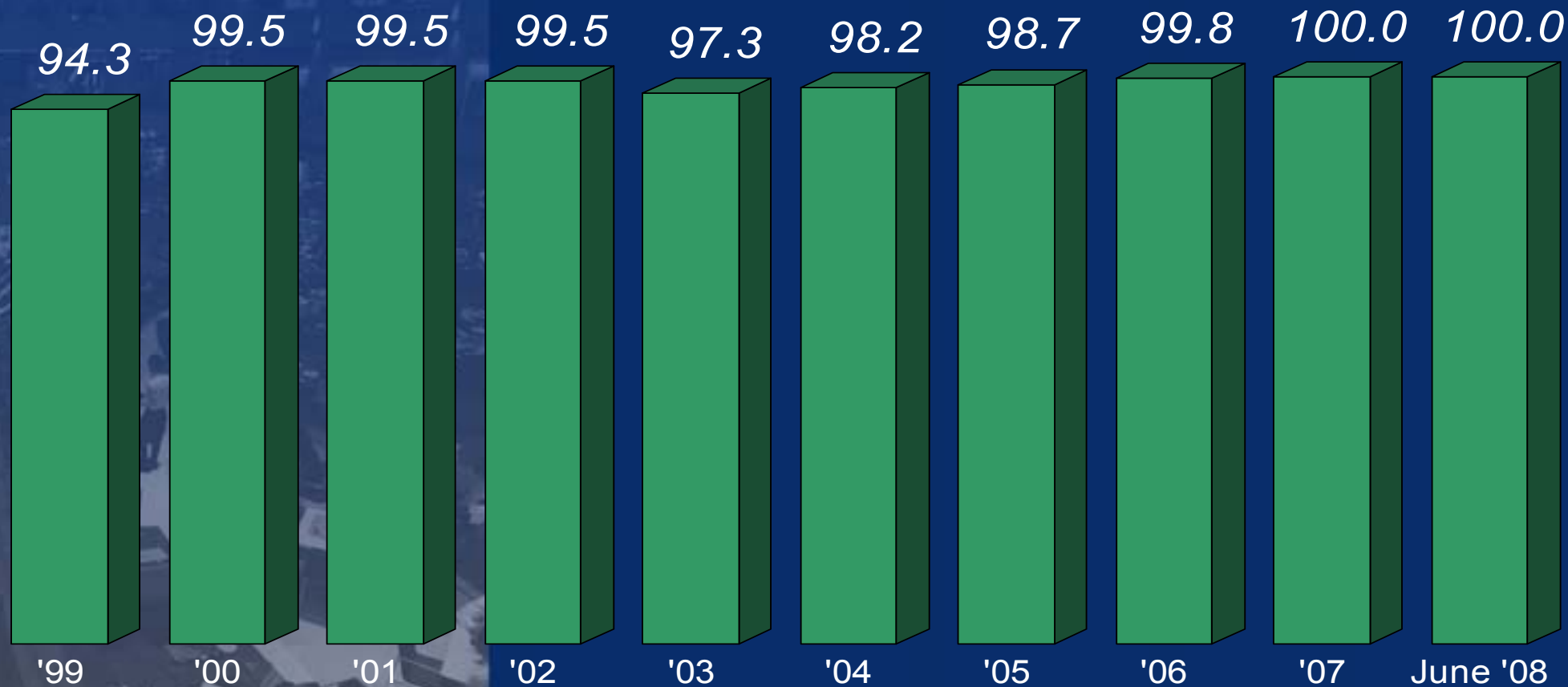
- Capital value +10.3%
- Office vacancy 1.7%
- Retail vacancy 0%



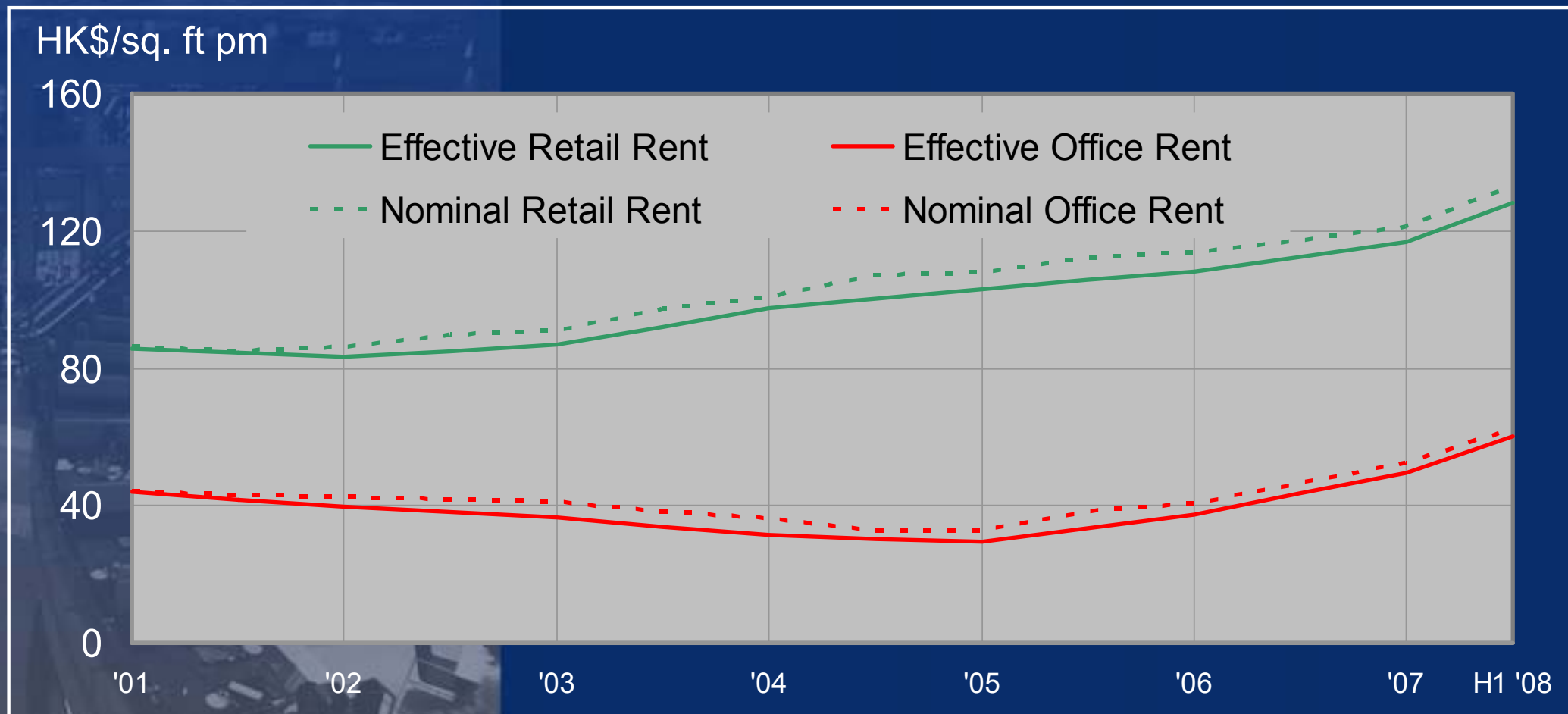
Hongkong Land Central Portfolio Office Occupancy (%)



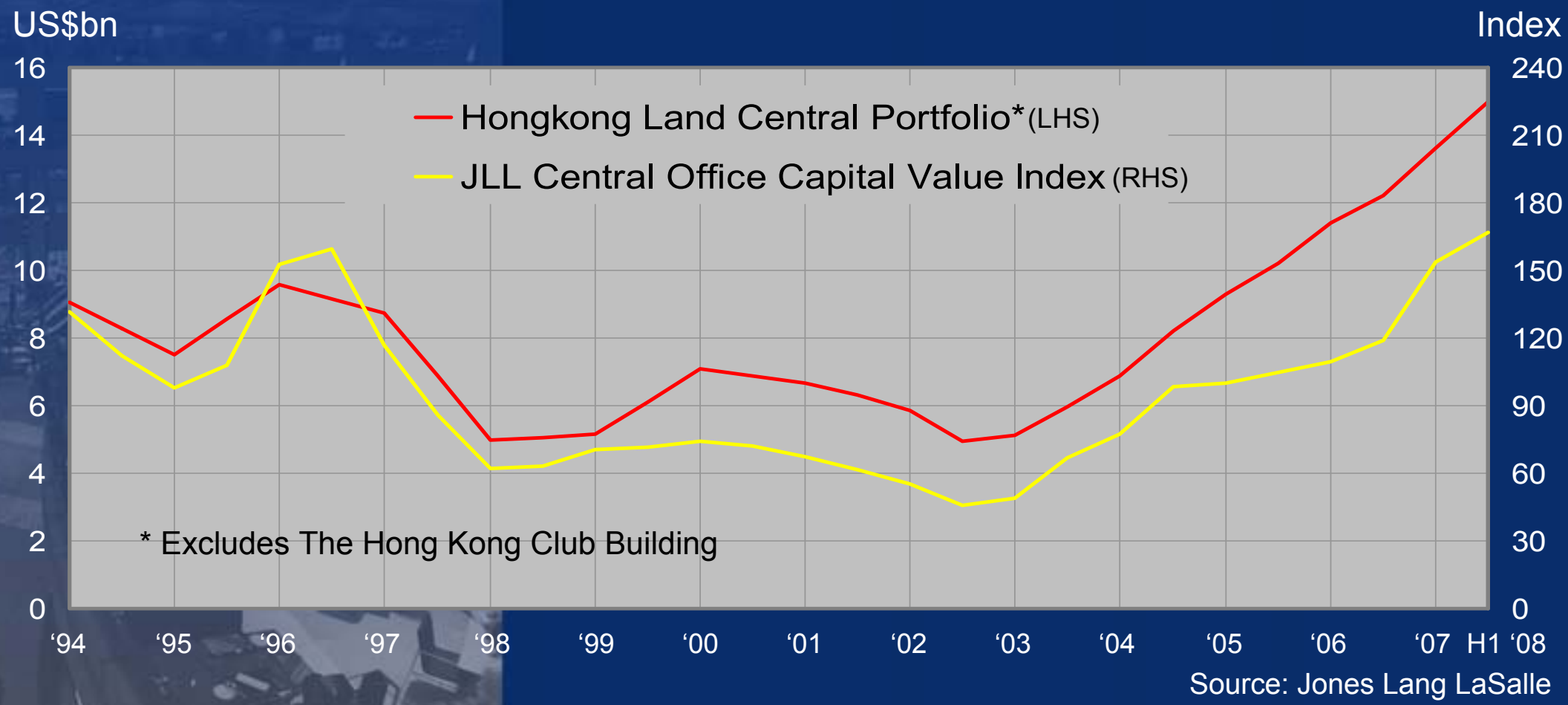
Hongkong Land Central Portfolio Retail Occupancy (%)



Hongkong Land Central Portfolio Average Rents

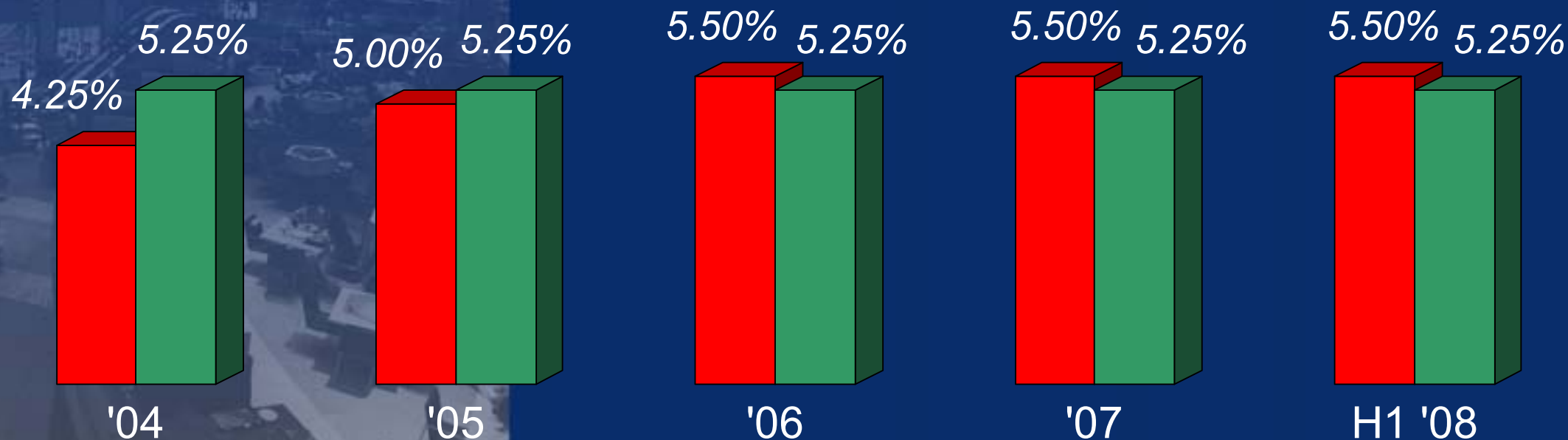


Hongkong Land Central Portfolio vs JLL Index

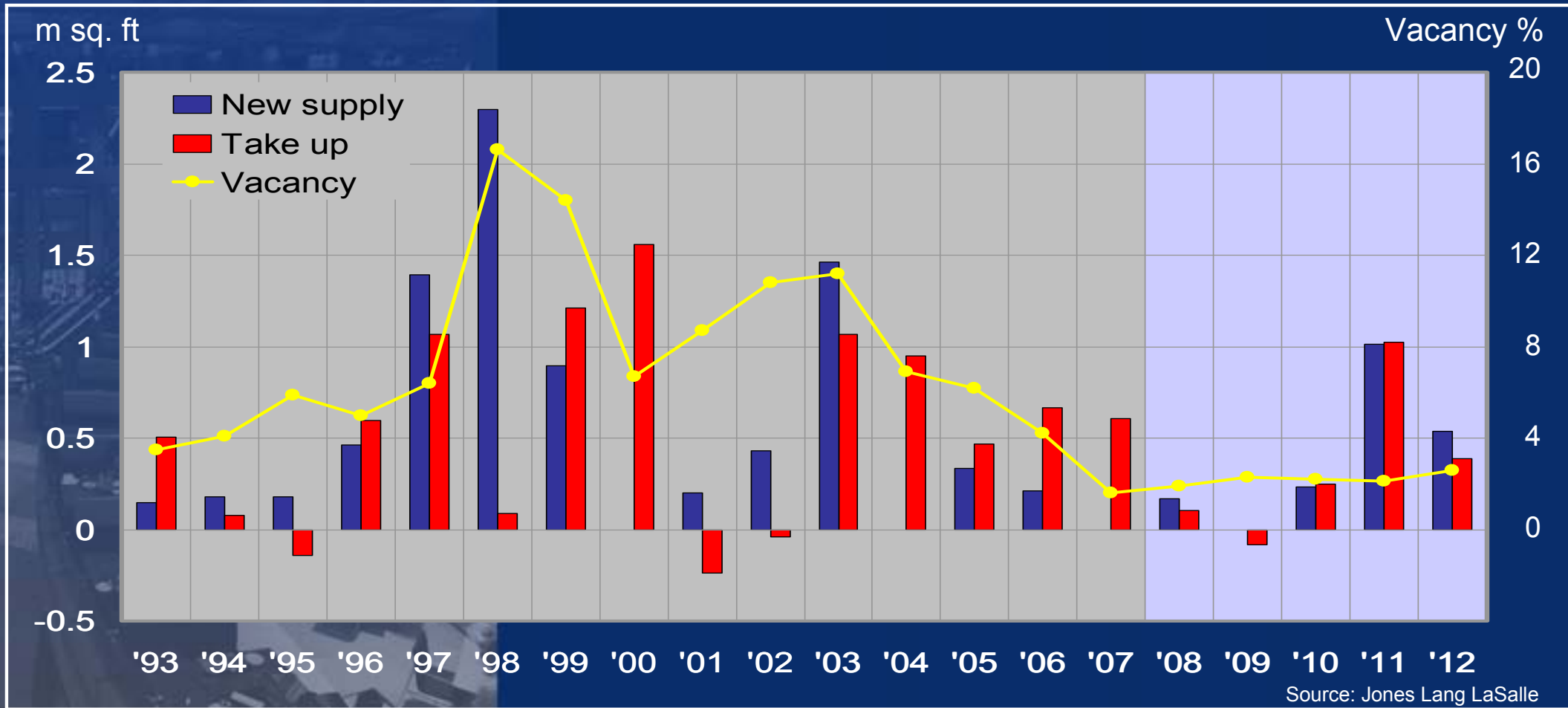


Hongkong Land Equivalent Yields

■ Office (1 & 2 Ex. Sq.) ■ Retail (Prince's Bldg.)



Hong Kong Central Grade "A" Office Market



Disclaimer: The above forecast shall be regarded solely as general guide, no representation is made nor responsibility accepted by Jones Lang LaSalle for the accuracy of the whole or any part whatsoever.



Regional Investments



Background Image from Google Earth



Macau

One Central (49%)



- Retail
 - prime luxury shopping centre in Macau
 - majority of space pre-committed
 - opening 2009
- Hotel
 - 216 rooms
 - managed by Mandarin Oriental Hotel Group
 - opening 2009

Singapore



Background Image from Google Earth



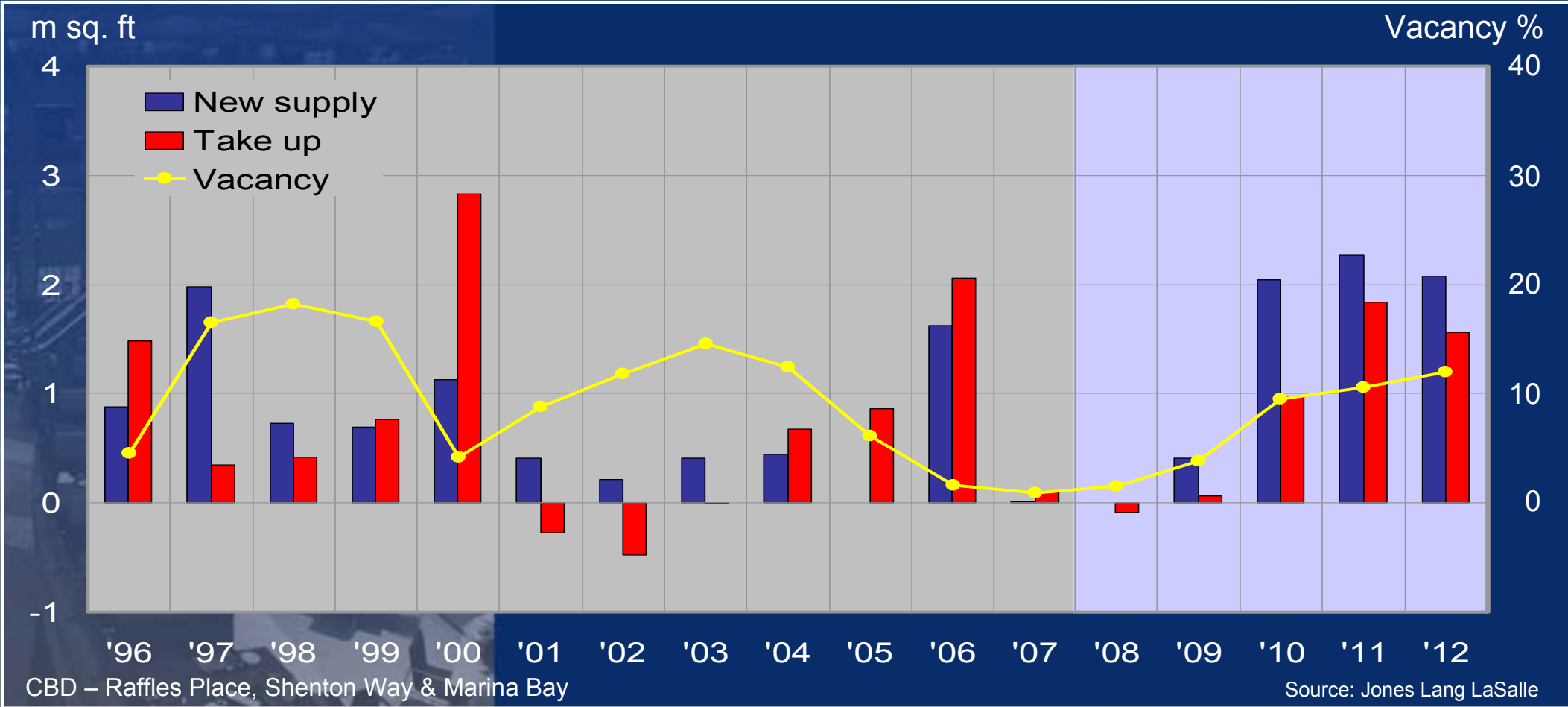
Singapore

Marina Bay Financial Centre (33%)



- 4.7m sq. ft total GFA, 3.6m sq. ft office & retail
- Phase I
 - 2.0m sq. ft
 - completion 2010
 - 59% pre-let
- Phase II
 - 1.6m sq. ft
 - completion 2012
 - 55% pre-let

Singapore CBD Grade “A” Office Market



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Thailand



Gaysorn (49%)



Vietnam



Central Building (73%)



63 Ly Thai To (77%)



Indonesia

Jakarta Land (50%)



Residential Property



Hong Kong Victoria Road



- Superstructure work in progress
- Completion 2009

Hong Kong Tai Hang Road



- Superstructure work in progress
- Completion 2010

Macau

One Central Residences (49%)



- Superstructure work in progress
- Completion 2009
- Over 97% sold

Mainland China, Beijing

Central Park (40%)



- Substantially sold & handed over
- 1 tower retained as serviced apartments

Mainland China, Chongqing

Bamboo Grove (50%)



- Total project over 15m sq. ft
- Phase I
 - 650 units, 1.1m sq. ft
 - substantially sold
 - completion 2008
- Phase II
 - 960 units, 1.8m sq. ft
 - 41% sold
 - completion 2009
- Phase III
 - under active planning

Mainland China, Shenyang

Shenyang (30%)



- 3 development sites totalling 100 ha with potential for expansion
- Under master planning



Singapore

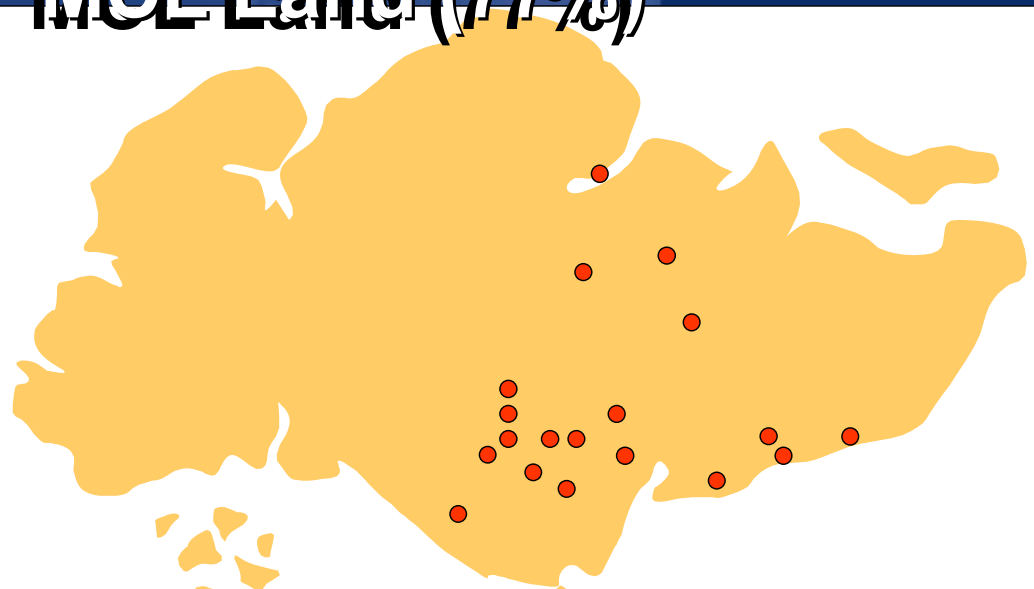
Marina Bay Financial Centre (33%)



- Marina Bay Residences
 - 428 units, 0.59m sq. ft
 - 100% sold
 - completion 2010
- Marina Bay Suites
 - substructure work in progress
 - 221 units, 0.47m sq. ft
 - completion 2012

Singapore

MCL Land (77%)



Key events in H1 2008

- 1 project completed
- No new sales launches in Singapore
- Completed 2 site acquisitions

Outlook



Outlook

There are signs of more difficult conditions ahead. Property markets are slowing and inflationary pressures are building in key sectors. The earnings outlook for the medium term, however, remains encouraging as the Group will continue to benefit from positive rental reversions and from residential completions.



Results



Results

- Highlights
- Profit and Loss
- Cash Flow
- Balance Sheet
- MCL Land
- Treasury Management



2008 Half-Yearly Results Highlights (US\$)

US\$

| | | |
|------------------------|--------|------|
| Underlying earnings | 242m | +56% |
| Underlying EPS | 10.53¢ | +56% |
| Interim dividend/share | 6.00¢ | +50% |



2008 Half-Yearly Results Highlights (US\$)

| | June '08 | Dec '07 |
|-----------------------|-----------------|----------------|
| Investment properties | 16.7bn | 15.1bn |
| Adjusted NAV/share* | 6.82 | 6.12 |
| Net debt | 2.6bn | 2.4bn |
| Adjusted gearing* | 16% | 17% |

*See explanatory note on slide 54



Profit and Loss Account (US\$m)

2007 Full Year

| | |
|-------------------|--|
| 933 | Revenue |
| (442) | Cost of sales |
| <u>491</u> | Gross profit |
| (52) | Other income & expenses |
| 2,589 | Valuation of investment properties |
| 9 | Asset impairment reversals & disposals |
| (50) | Net financing charges |
| 387 | Joint ventures |
| (519) | Tax |
| (15) | Minority interests |
| <u>2,840</u> | Profit attributable to shareholders |
| <u><u>345</u></u> | Underlying profit |

2008 Half-Yearly

| | |
|-------------------|--|
| 319 | Revenue |
| (51) | Cost of sales |
| <u>268</u> | Gross profit |
| (22) | Other income & expenses |
| 1,407 | Valuation of investment properties |
| - | Asset impairment reversals & disposals |
| (22) | Net financing charges |
| 146 | Joint ventures |
| (145) | Tax |
| (3) | Minority interests |
| <u>1,629</u> | Profit attributable to shareholders |
| <u><u>242</u></u> | Underlying profit |

2007 Half-Yearly

| | |
|-------------------|--|
| 393 | Revenue |
| (187) | Cost of sales |
| <u>206</u> | Gross profit |
| (19) | Other income & expenses |
| 1,162 | Valuation of investment properties |
| 1 | Asset impairment reversals & disposals |
| (23) | Net financing charges |
| 108 | Joint ventures |
| (231) | Tax |
| (2) | Minority interests |
| <u>1,202</u> | Profit attributable to shareholders |
| <u><u>155</u></u> | Underlying profit |



Reconciliation to Underlying Profit (US\$m)

2007 Full Year

| | |
|------------|--|
| 2,840 | Profit attributable to shareholders |
| | Revaluation surpluses: |
| (2,589) | - Group companies |
| (441) | - Joint ventures |
| | Deferred tax charge: |
| 463 | - Group companies |
| 79 | - Joint ventures |
| (10) | Asset impairment reversals & disposals |
| 3 | Minority interests |
| <u>345</u> | Underlying profit |

2008 Half-Yearly

1,629

(1,407)

(115)

114

20

-

1

242

2007 Half-Yearly

1,202

(1,162)

(111)

207

19

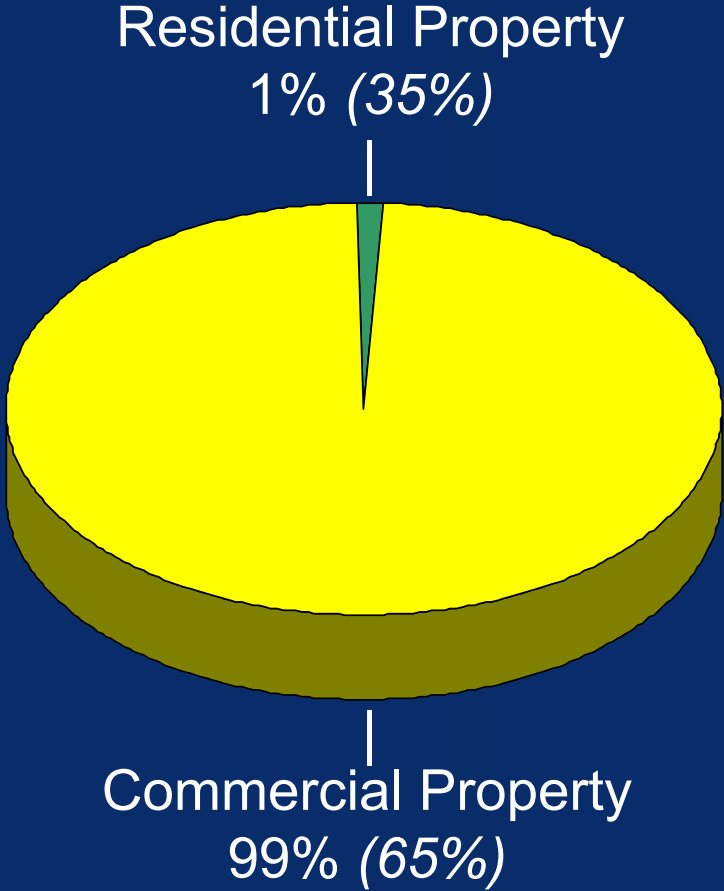
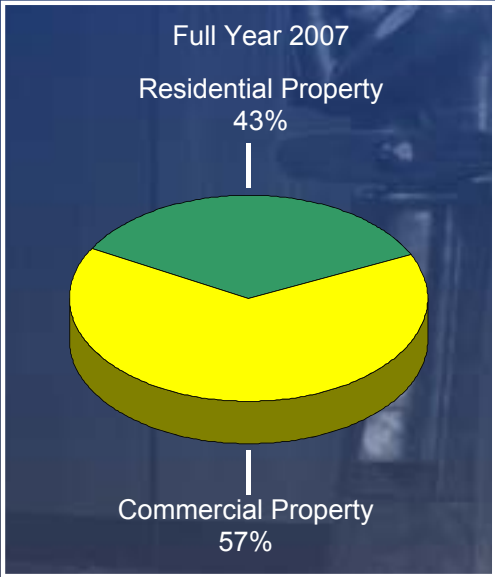
(2)

2

155

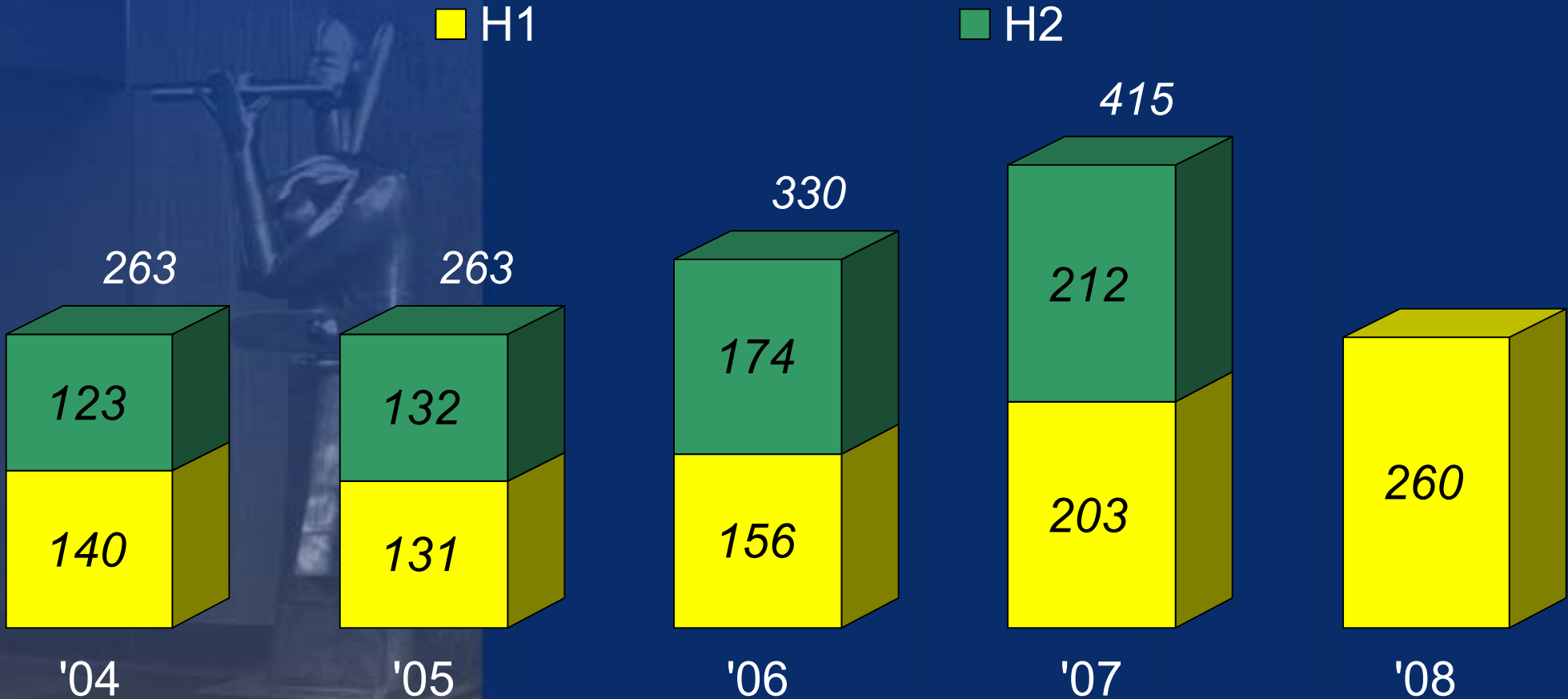


Revenue by Business



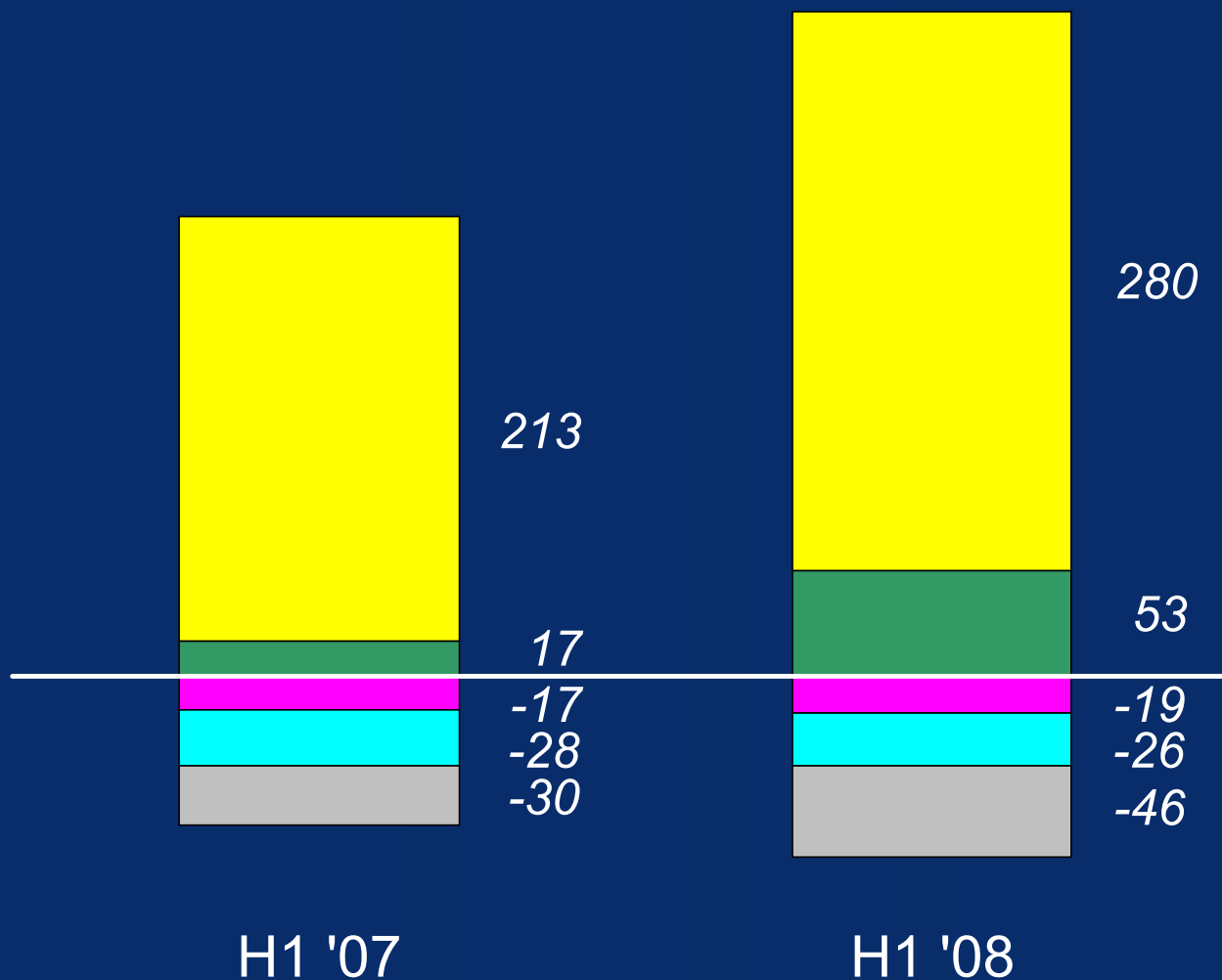
H1 '07 comparative figures in brackets

Net Rental Income (US\$m)



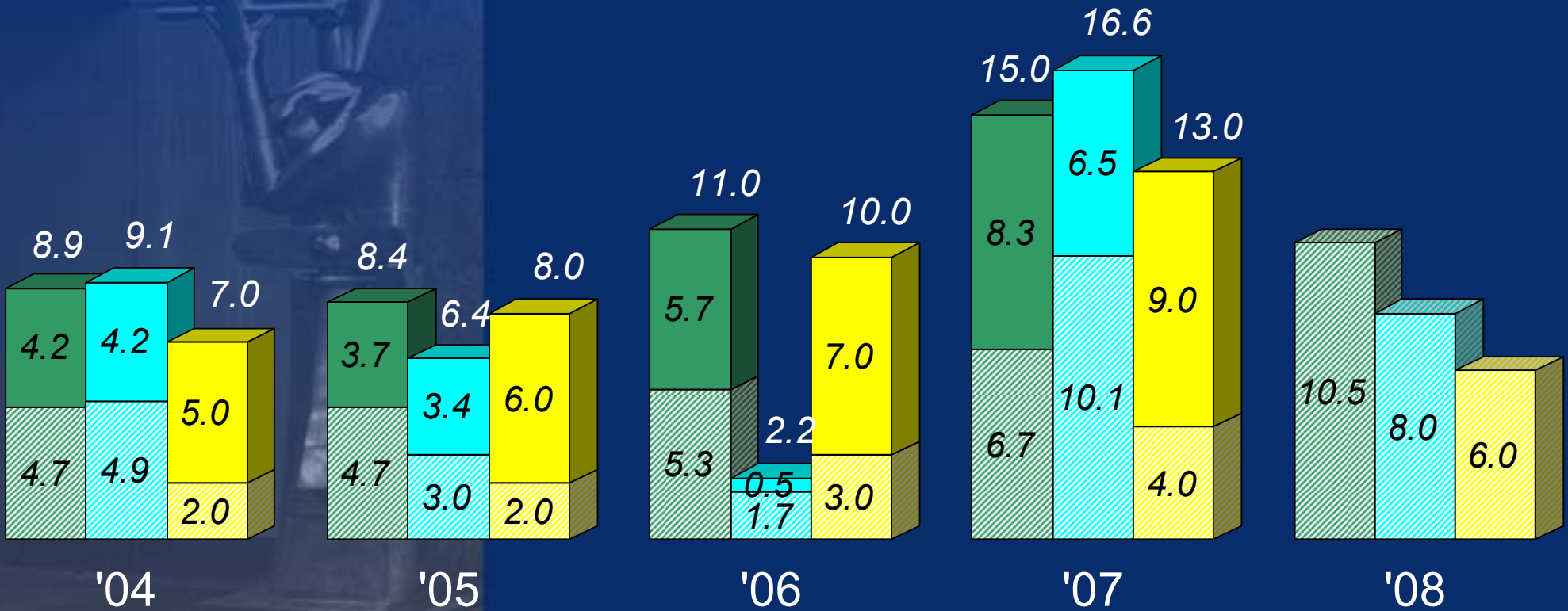
Contribution to Underlying Earnings (US\$m)

- Commercial Property
- Residential Property
- Corporate
- Net Financing Charges
- Tax



Earnings, Cash Flow & Dividends (US¢/share)

■ Earnings
 ■ Cash Flow
 ■ Dividends



Cash Flow (US\$m)

2007 Full Year

| | |
|-------------|--------------------------------------|
| 404 | Cash flows from operating activities |
| (22) | Major renovations expenditure |
| <hr/> | |
| 382 | Recurring cash flow |
| (340) | Dev. capex & investments |
| 196 | Disposal of asset/other investments |
| <hr/> | |
| 238 | Free cash flow |
| (255) | Dividends paid |
| (44) | Other financing activities |
| <hr/> | |
| (61) | Net cash flow |
| <hr/> <hr/> | |

2008 Half-Yearly

| |
|--------------|
| 196 |
| (12) |
| <hr/> |
| 184 |
| (47) |
| - |
| <hr/> |
| 137 |
| (212) |
| 105 |
| <hr/> |
| 30 |
| <hr/> <hr/> |

2007 Half-Yearly

| |
|-------------|
| 243 |
| (12) |
| <hr/> |
| 231 |
| (262) |
| 169 |
| <hr/> |
| 138 |
| (163) |
| (77) |
| <hr/> |
| (102) |
| <hr/> <hr/> |



Balance Sheet (US\$m)

| 2007 Full Year | | 2008 Half-Yearly | 2007 Half-Yearly |
|---------------------------|--------------------------------|-----------------------------|-----------------------------|
| 14,261 | Investment properties | 15,722 | 12,755 |
| 12 | Others | 13 | 13 |
| <u>14,273</u> | Fixed assets | <u>15,735</u> | <u>12,768</u> |
| 1,671 | Joint ventures & others | 1,931 | 1,277 |
| 895 | Properties for sale | 1,239 | 844 |
| 1,104 | Cash | 1,134 | 1,063 |
| (3,535) | Borrowings | (3,705) | (3,385) |
| (2,207) | Deferred tax liabilities | (2,323) | (1,943) |
| (244) | Other net assets/(liabilities) | (565) | (310) |
| <u>11,957</u> | Net operating assets | <u>13,446</u> | <u>10,314</u> |
| (124) | Minority interests | (127) | (105) |
| <u>11,833</u> | Shareholders' funds | <u>13,319</u> | <u>10,209</u> |
| <u>(2,431)</u> | Net debt | <u>(2,571)</u> | <u>(2,322)</u> |

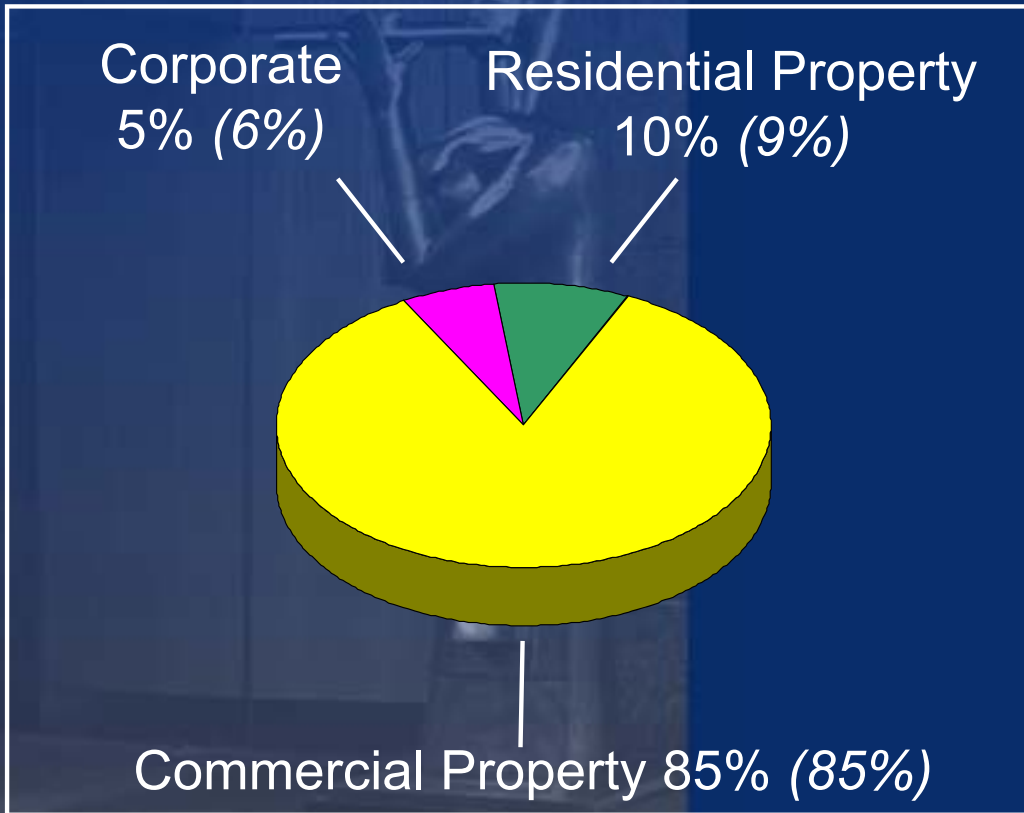


Debt & Equity (US\$bn)

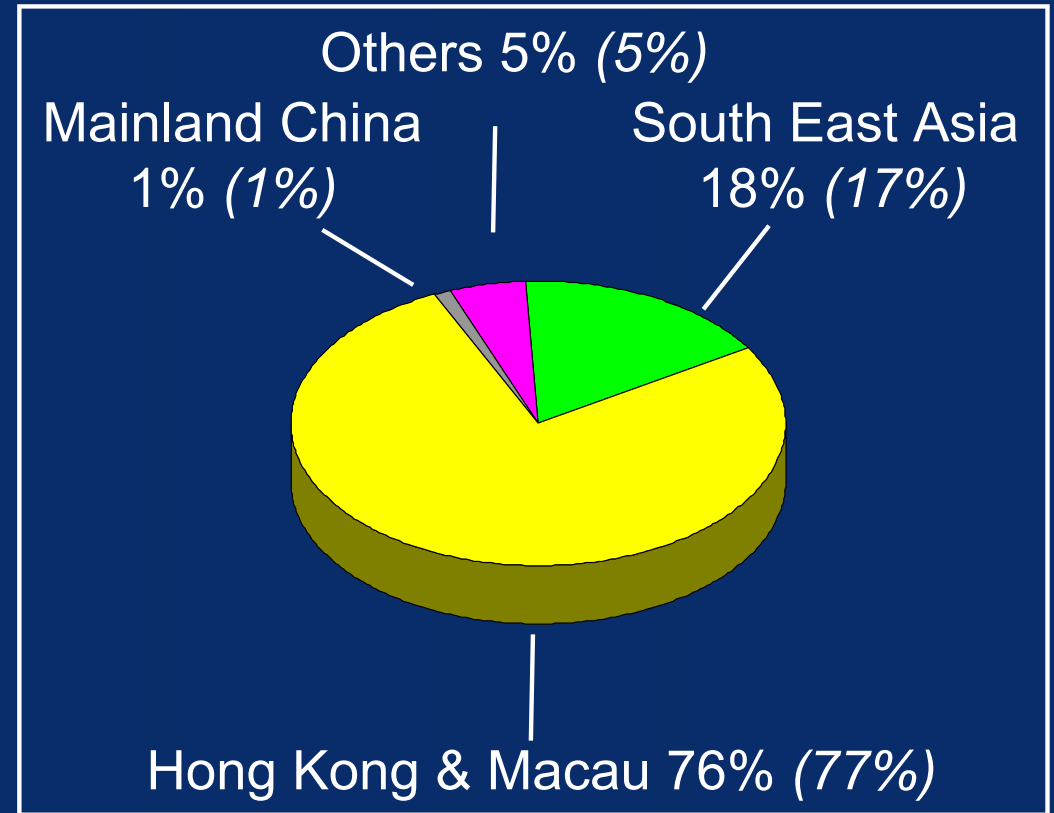


Gross Assets 30 June 2008

By Activity



By Location



31 Dec 2007 comparative figures in brackets



MCL Land 2008 Half-Yearly Results Highlights (US\$m)

| | H1 '08 | H1 '07 |
|-------------------|---------------|---------------|
| Revenue | 1 | 134 |
| Underlying profit | 8 | 2 |

| | June '08 | Dec '07 |
|---------------------|-----------------|----------------|
| Shareholders' funds | 536 | 524 |
| Net debt | 343 | 244 |
| Gearing | 64% | 47% |



Treasury Management

- Credit rating at investment grade:
 - S & P BBB+, outlook positive
 - Moody's Baa1, outlook stable
- Average facility life 3.9 years
- Well diversified funding



Liquidity Management 30 June 2008 (All figures US\$m)

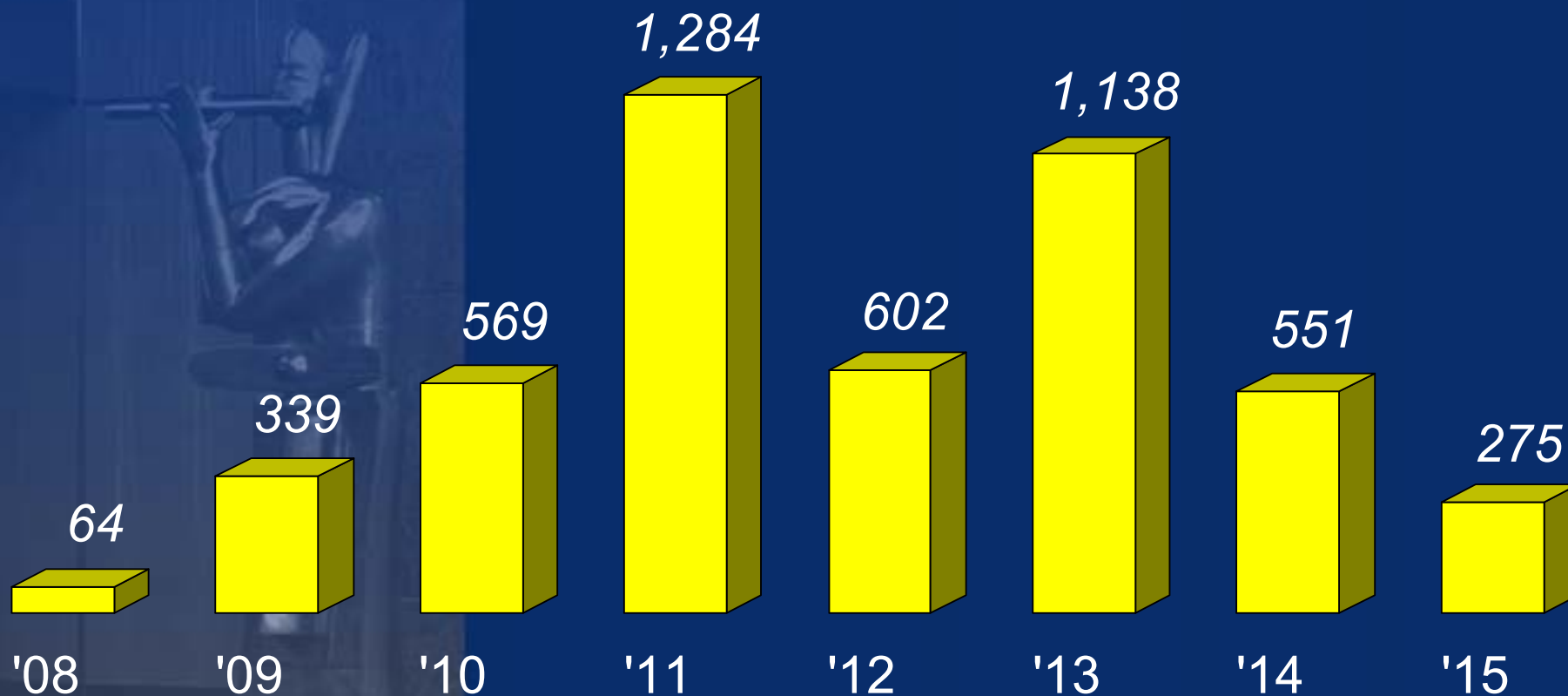
| 2007 | | HK\$ | S\$ | US\$ | RMB | Total |
|-------------|---------------------|-------------|------------|-------------|------------|--------------|
| 4,551 | Committed lines | 2,624 | 1,846 | 357 | 0 | 4,827 |
| 3,535 | Gross debt | 1,848 | 1,500 | 357 | 0 | 3,705 |
| 1,016 | Available lines | 776 | 346 | 0 | 0 | 1,122 |
| 1,104 | Cash | 10 | 69 | 983 | 72 | 1,134 |
| 2,120 | Available liquidity | 786 | 415 | 983 | 72 | 2,256 |

Note: HK\$ loans include US\$ debt swapped into HK\$

Gross debt includes drawdown from committed and uncommitted lines



Committed Facility Maturity Profile (US\$m)



US\$ Bond and S\$ Bond are at face value



Interest Rate Hedging 30 June 2008 (All figures US\$m)

| Currency | | Cash | Debt | Net (Debt)/ | % fixed | |
|----------|----------|------|-------|-------------|---------|------|
| | | | | Cash | Cash | Debt |
| HK\$ | Fixed | 0 | 779 | (779) | 0 | 42 |
| | Floating | 10 | 1,069 | (1,059) | | |
| S\$ | Fixed | 0 | 672 | (672) | 0 | 45 |
| | Floating | 69 | 828 | (759) | | |
| US\$ | Fixed | 480 | 354 | 126 | 49 | 99 |
| | Floating | 503 | 3 | 500 | | |
| RMB | Fixed | 0 | 0 | 0 | 0 | 0 |
| | Floating | 72 | 0 | 72 | | |
| Total | Fixed | 480 | 1,805 | (1,325) | 42 | 49 |
| | Floating | 654 | 1,900 | (1,246) | | |



2008 Half-Yearly Results



Hongkong Land



Explanatory Note

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 leasehold investment properties have been included at their open market value as determined by independent valuers. In the territories where the Group has significant leasehold investment properties, no capital gains tax would be payable on the sale of these properties. 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 freehold. The adjustments made add back the deferred tax provided in the financial statements that would not be payable if the properties were sold.

