

NEWS RELEASE

To: Business Editor

 3rd March 2011
 For immediate release

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

**HONGKONG LAND HOLDINGS LIMITED
 2010 PRELIMINARY ANNOUNCEMENT OF RESULTS**
Highlights

- Significant contribution from residential developments
- Net assets per share up 30%
- MCL Land privatised
- New development projects in China

“Commercial market conditions in Hong Kong and Singapore are expected to remain favourable in 2011, particularly in Hong Kong where new supply is limited. Profits from the Group’s residential activities, however, will be significantly lower in 2011 as there will be fewer completions compared with the previous two years. While over the longer term demand for residential projects should be strong, a number of the Group’s markets could be affected by recent government measures to dampen sales activity.

With its strong financial position and market experience, the Group is well-placed to take advantage of future opportunities.”

 Simon Keswick, *Chairman*

3rd March 2011

Results

	Year ended 31st December		Change %
	2010 US\$m	2009 US\$m (restated)	
Underlying profit attributable to shareholders*	810	777	+4
Profit attributable to shareholders†	4,739	1,813	n/m
Shareholders’ funds†	19,457	14,936	+30
Net debt	2,358	2,417	-2
	US¢	US¢	%
Underlying earnings per share	36.02	34.55	+4
Earnings per share	210.70	80.60	n/m
Dividends per share	16.00	16.00	-
	US\$	US\$	%
Net asset value per share	8.64	6.64	+30
* The Group uses ‘underlying profit attributable to shareholders’ in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 1 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group’s underlying business performance. † Due to recent amendments to International Financial Reporting Standards, the Group is no longer required to provide for deferred tax on the revaluation of its investment properties in Hong Kong and Singapore where there is no capital gains taxation. The new policy has been applied retrospectively and the comparative figures in the financial statements have been restated.			

The final dividend of US¢10.00 per share will be payable on 18th May 2011, subject to approval at the Annual General Meeting to be held on 11th May 2011, to shareholders on the register of members at the close of business on 18th March 2011. The ex-dividend date will be on 16th March 2011, and the share registers will be closed from 21st to 25th March 2011, inclusive.

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 Issued by: **Hongkong Land Limited**
Incorporated in Bermuda with limited liability

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HONGKONG LAND HOLDINGS LIMITED

PRELIMINARY ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2010

OVERVIEW

Market conditions remained favourable for the Group's office and retail portfolio in the Central district of Hong Kong and for its increasing commercial property investments in Singapore. Results also benefited significantly from residential developments, particularly in Singapore.

PERFORMANCE

Underlying profit attributable to shareholders for 2010 was US\$810 million, an increase of 4% from the record result of 2009. While the contribution from the Group's commercial portfolio was relatively stable, profit from residential activities increased as two large projects in Singapore were completed in addition to projects in Hong Kong and Macau.

Taking into account the results of the independent valuation of the Group's investment properties at 31st December 2010, including the Group's share of properties in joint ventures, the profit attributable to shareholders was US\$4,739 million, compared with US\$1,813 million in 2009. As a result, the net asset value per share increased to US\$8.64, an increase of 30% from the prior year.

Following a change in International Financial Reporting Standards, the Group is no longer required to provide for deferred tax on valuation gains on which no tax liability would arise. The new policy has been applied retrospectively.

The Directors are recommending a final dividend of US¢10.00 per share for 2010, providing a total dividend for the year of US¢16.00 per share, unchanged from 2009.

GROUP REVIEW

Steady demand for office space in Hong Kong's Central district enabled the Group to maintain rental levels on reversions as rents continued to increase from the lower levels seen

in 2009. Vacancy in the office portfolio stood at 2.9% at the end of 2010, while the Group's retail space in Central remained fully let.

In Singapore, demand for office space recovered and rents began to improve in the second half of the year. The first two towers were completed at Marina Bay Financial Centre, in which the Group has a one-third interest. The towers are fully let and tenants began to take occupancy during the second half of the year. Construction of the final office tower, which is 66% pre-let, is scheduled for completion in 2012.

The Group's 50%-owned joint venture in Jakarta commenced construction on a 61,000 sq. m. tower, adjacent to its existing office development, due for completion in 2012.

In the residential sector, MCL Land completed two projects in Singapore, Waterfall Gardens and D'Pavilion. It also pre-sold all the apartments at The Estuary, a development to be completed in 2013, enabling the reversal of a US\$39 million writedown previously made in respect of the site acquisition cost. The first residential tower at Marina Bay, which was already fully sold, was completed and the Group benefited from the profit attributable to its one-third interest. A second residential tower, which has been 62% pre-sold, is scheduled for completion in 2013.

In Hong Kong, profits were recognised on approximately one-third of the apartments at the Serenade development, while in Macau profits were recognised following completion of Tower 4 of the 47%-held One Central project. The sale of the final residential component at One Central, the branded apartments adjacent to the newly-opened Mandarin Oriental hotel, began in late 2010 and profits will be recognised on completion in 2011.

Profits were also recorded from the existing residential projects in mainland China; the 90%-owned Maple Place in Beijing and the Bamboo Grove joint venture in Chongqing. Additional units at Bamboo Grove currently under construction, including the project's first high rise apartments, were released to the market and have sold well. The Group increased its interest in its joint venture in Shenyang from 30% to 50%.

Hongkong Land continues to build its residential business on the Mainland. It recently acquired in joint venture a 190,000 sq. m. site for development in the Jinjiang District of

Chengdu, which will also include a commercial component. A 386,000 sq. m. site in Chongqing was acquired in the vicinity of its existing Bamboo Grove project, and is the Group's first wholly-owned project on the Mainland. Both of these projects will be developed in phases.

In August 2010, the Group announced its intention to privatise its 77%-owned Singapore-listed affiliate, MCL Land, and made an exit offer to the minority shareholders. The privatisation was completed in early 2011.

PEOPLE

On behalf of the Board, I would like to extend my appreciation to the employees for their commitment, diligence and dedication which are essential to our continued success.

We welcomed John Witt, the new Chief Financial Officer to the Board in April 2010.

OUTLOOK

Commercial market conditions in Hong Kong and Singapore are expected to remain favourable in 2011, particularly in Hong Kong where new supply is limited. Profits from the Group's residential activities, however, will be significantly lower in 2011 as there will be fewer completions compared with the previous two years. While over the longer term demand for residential projects should be strong, a number of the Group's markets could be affected by recent government measures to dampen sales activity.

With its strong financial position and market experience, the Group is well-placed to take advantage of future opportunities.

Simon Keswick

Chairman

3rd March 2011

CHIEF EXECUTIVE'S REVIEW

Hongkong Land again achieved a record underlying profit in 2010 due to the strong performance of its residential business in combination with a steady contribution from its commercial portfolio. There has also been a significant increase in the value of the Group's commercial property portfolio during 2010.

STRATEGY

Hong Kong's Central Portfolio

The Group's most important investment continues to be its prime portfolio in the heart of Hong Kong's Central district where it owns and manages some 450,000 sq. m. (five million sq. ft) of office and retail space. Continued focus on the returns from this portfolio is fundamental to the ongoing success of the Group. We continue to manage our 12 Grade A office and retail buildings as a large, integrated mixed-use development.

Luxury retail space in the Central portfolio totals 58,000 sq. m. (620,000 sq. ft). This contributes significantly to the prestige and convenience of the office space, which in turn attracts premium tenants. In 2010, further enhancements to the retail areas were begun. In the Prince's Building, three new flagship stores were opened in 2010: Cartier, Alfred Dunhill and Berluti with a fourth, Van Cleef & Arpels, under construction. At the same time, the Group embarked on a US\$20 million renovation of the retail podium, which will be completed in 2011. Restaurants are also an important part of ensuring the ongoing attractiveness of Central. The restaurants introduced into the portfolio over the past few years continue to perform well, attracting customers both during the day and in the evenings.

Our intention is to continue to upgrade the office space throughout the portfolio, ensuring it remains the most prestigious within Hong Kong. At the same time, we will seek to grow our rental yields, recognising the desirability of both the space and the quality of service which is Hongkong Land's mandate to provide to each of its tenants.

Commercial Property Investments in Asia

Over the past few years, the Group has extended its commercial property interests outside of Hong Kong. Expansion has been based both on the Group's strong financial position and its reputation for providing the highest quality space and service to its tenants. The principal

focus has been in Singapore where the Group now has attributable interests of 164,000 sq. m., including the third tower of Marina Bay Financial Centre which is due for completion in 2012. In 2010, the first two towers of Marina Bay Financial Centre opened and are fully let.

Also, in 2010, the Group's 50%-owned joint venture in Jakarta commenced construction within its existing office development of a 61,000 sq. m., 30-storey tower, which is due for completion in 2012. This will be the best-of-class building in the market, targeting premium tenants, particularly from the financial services sector. The office space of the building is already 51% pre-let.

We continue to look for attractive high-quality commercial projects throughout Asia which will offer development profits as well as providing investments to be held for long-term returns including capital appreciation.

Residential Developments

Based on the Group's experience throughout Asia, a strong and profitable residential business has been established. While our ongoing investment in this activity is significantly smaller than our commercial business, the residential projects enhance the Group's overall profits and returns on capital.

Annual returns from residential developments fluctuate due to both the nature of the projects and the accounting policy of only recognising profits on sale at completion. During the past two years, the Group's results have benefited significantly from gains on residential developments. The profit contribution from this sector will, however, be lower in the coming years due to the timing of project completions. Ongoing reinvestment is necessary to continue to build this income stream over the longer term, and in 2010 we acquired new sites in the Chinese cities of Chongqing and Chengdu.

REVIEW OF COMMERCIAL PROPERTY

Hong Kong

In Hong Kong, the Group benefited from favourable market conditions. Demand was relatively consistent throughout the year, from both existing tenants looking for additional space and from new companies. Demand for office space is positively correlated with overall

economic activity, which was strong throughout 2010. Financial institutions, law firms and accounting firms continue to account for approximately 75% of the office tenants in the Central portfolio.

Office vacancy at the end of 2010 was 2.9%, a decrease from 4.4% at the end of 2009. In 2010, the average rent across the office portfolio was HK\$84.3 per sq. ft compared with HK\$84.0 per sq. ft a year earlier. Being able to maintain the average rent level was a pleasing result as spot rents in 2009 were significantly lower than in 2007 when many of the leases coming up for renewal or rent review in 2010 were agreed. There was a significant increase in spot rents in 2010 which enabled the Group to achieve neutral rental reversions. Looking forward, further increases in rents will be necessary if we are to continue to achieve at least neutral reversions as 2010 spot rents remained below the levels achieved in mid-2008, the last market peak. While this will partially depend on overall economic sentiment, the supply of new office space, particularly in Central, over the next few years is anticipated to be limited. The overall vacancy of Hong Kong Grade A office space at 31st December 2010 was 4.7%.

In respect of the Group's retail space, we finished the year with 100% occupancy at an average retail rent of HK\$137.1 per sq. ft, a 4% increase over the 2009 average of HK\$132.1 per sq. ft. Retail sales for the Group's tenants were strong in 2010.

Long-term capital appreciation also has an important impact on the Group. During the year, the value of the Group's Hong Kong portfolio increased by 22%, based on independent valuations performed at 31st December 2010. The total value of the portfolio is now US\$17.3 billion. This was due to rising rents as capitalisation rates or equivalent yields remained stable from a year earlier.

Singapore

While the contribution from the Group's Singapore commercial property investments was modest in comparison with the well-established Hong Kong portfolio, it continued to grow as we began to benefit from the completion of the first two office towers of Marina Bay Financial Centre, in which the Group has a one-third interest. The contribution will continue to increase in 2011 as the tenants of the buildings progressively occupied the buildings only from October onwards. Construction of Tower 3, the largest tower at Marina Bay Financial

Centre with 122,000 sq. m., is underway with completion expected in 2012. This tower is now 66% let with DBS Bank as the largest tenant.

Generally, conditions in the Singapore office market improved steadily throughout 2010. This was the result of a ‘flight to quality’ as tenants looked to upgrade their offices. In addition, there was demand from new or expanding companies in the market, particularly from the financial services sector. This demand for high-quality Grade A office space, particularly in the Central Business District, has reduced significantly the fears of oversupply which were present at the beginning of 2010. As a result, overall rent levels have firmed.

Both One Raffles Link, which is 100% owned by the Group, and One Raffles Quay, which is one-third owned, remained fully let.

Other Commercial Property Investments

In Macau, the retail centre at our 47%-owned joint venture project, One Central, has now been opened for just over one year and is well-established as the most prestigious shopping venue in the city. The retail mall of some 20,000 sq. m. features the world’s leading luxury brands. The centre is now 81% occupied with space only remaining on the third floor. The hotel component, a 213-room Mandarin Oriental hotel, opened in June 2010, further complementing this mixed-use complex.

In Jakarta Land, the Group’s 50%-owned joint venture currently owns and manages some 80,000 sq. m. of space in three buildings located prominently in Jakarta’s Central Business District. These are 96% let. A fourth tower, now under construction, is expected to be completed in 2012.

The performance of the Group’s other commercial investment properties in Hanoi, Bangkok and Bermuda has generally been satisfactory. The two buildings in Hanoi, each approximately 70%-owned, remained fully let at premium rents to the market. In Bangkok, the performance of the Group’s 49%-owned retail and office complex, Gaysorn Plaza, suffered in the first half of the year due to significant civil disturbances, although there has been some recovery in the second half. In Bermuda, Jardine Gibbons Property, in which Hongkong Land has a 40% interest, owns four fully-let commercial buildings in the centre of Hamilton.

REVIEW OF RESIDENTIAL PROPERTY

2010 was again an active year for our residential property business which achieved record results.

Hong Kong

In Hong Kong, the Group completed the 97-unit Serenade project and benefited from the profits from 33 units which were sold and handed over to buyers before the end of the year. Further units have subsequently been released and sold, and these completions will occur in 2011. The release of the remaining units for sale will depend on market conditions.

Macau

At the successful One Central joint venture project in Macau, most of the 68 units of Tower 4 were sold and handed over to buyers in 2010. Sales of The Residences and Apartments at Mandarin Oriental, which are located in the hotel tower, began late in the year and all but 19 units have been sold. Completion of these sales will take place in 2011 and the profits recognised accordingly. This is the final phase of our residential development at One Central.

Singapore

Our residential businesses in Singapore enjoyed an excellent year. In general, the market conditions were strong, although overall sales activity had begun to be affected by the various measures introduced by the government to cool the market.

At MCL Land, two projects were completed. Waterfall Gardens was a project of 132 apartments, all of which had been pre-sold prior to completion. D’Pavilion which was completed in the second half of the year featured 50 apartments which were also fully sold.

MCL Land launched a 608-unit apartment project called The Estuary, which was fully pre-sold in the first half of the year. Completion is anticipated in 2013. MCL Land has three other development sites now under construction in Singapore.

In addition, MCL Land has five development sites in Singapore with a gross floor area of approximately 100,000 sq. m. that are at various stages of planning approval, including a development site at Hougang Avenue 2 which was acquired in 2010 for US\$157 million.

Following the completion of the US\$160 million privatisation of MCL Land in early 2011, our intention is to maintain the strategy and operations of the company.

The Group's second residential interest in Singapore is its one-third investment in the residential component at Marina Bay. During 2010, the first phase of this, Marina Bay Residences, was completed. While all 428 luxury apartments and penthouses were previously sold, the profit was only recognised on completion in the first half of 2010.

Construction of the second and final phase of the project, called Marina Bay Suites, is now well underway. This phase, which is expected to be completed in 2013, consists of 221 units over an area of some 45,000 sq. m. Approximately 62% of the units have been sold at attractive prices, and the joint venture will release the balance of the units for sale at a later date.

Mainland China

The Group's residential business continues to progress well with developments in Chongqing, Chengdu, Shenyang and Beijing.

In Chongqing, the largest city in Central China, the Group now has three projects.

At Bamboo Grove, our first project in the city, the Group's 50%-owned joint venture with Longfor Properties, completed Phase 3A in the second half of 2010 which consisted of 261 townhouses. Only the two show units remained unsold. Construction of the next phases, Phase 3B and Phase 4, are now underway. In Phase 3B, 143 units are expected to be completed in the second half of 2011 which have all been pre-sold. In Phase 4A, 667 units will be completed of which 656 units have been pre-sold.

On completion, the Bamboo Grove development will comprise some 1.4 million sq. m. of mainly residential space, including villas, townhouses and high-rise apartments. Of this, 340,000 sq. m. have already been developed and sold and 300,000 sq. m. are now under construction.

The Group's second project in Chongqing is Landmark Riverside at Dan Zishi, a joint venture with China Merchants Group established in late 2009. During 2010, work

commenced on the master plan for this 34 hectare site which will consist of approximately 1.5 million sq. m. of residential and some prime retail space. Like Bamboo Grove, this site will be developed in a number of phases.

In December 2010, Hongkong Land acquired a third project in the city, for US\$445 million. The project, at Zhaomushan, is near the core area of the new Two-River New Area, which is in the vicinity of the Bamboo Grove development. The project consists of a site of almost 386,000 sq. m. for mainly residential development with a small portion of retail. The total developable area is approximately 880,000 sq. m. and will also be developed in a number of phases. This is the Group's first wholly-owned development on the Mainland.

In 2010, the Group also established its first project in Chengdu in a 50%-owned joint venture with KWG Property Holding Group. The project consists of a site of approximately 190,000 sq. m. which will be used for the development of residential and commercial properties. The cost of the site was US\$594 million. The total developable area is approximately 900,000 sq. m. Preliminary plans are that 65% will consist of residential, including serviced apartments for strata-sale, while 35% will be commercial, including office, retail and a hotel.

In Shenyang, work continued at our three residential projects in the city, which are located to the north and south of the Central Business District. In 2010, the Group increased its interest in these projects from 30% to 50% for US\$80 million. (Further consideration may be payable if the return from the projects exceeds a 12.9% investment return.) Construction work and sales activities have begun on two of the projects, Park Life and One Capitol.

In Beijing, at the Group's 90%-owned project, Maple Place, we completed the sales of 76 units. A further 133 units consisting of villas, townhouses and apartments with a total area of 32,000 sq. m. are available for future sale. Our intention remains to refurbish and sell these units only gradually. Most of the units are currently leased.

At Central Park, our 40%-owned joint venture with the Vantone Group continues to hold 72 apartments which are being operated as serviced apartments.

CONCLUSION

Over the past two years, the Group has achieved record underlying profits. This has been due primarily to the significant number of residential units completed during the period. In the next few years, the contribution from our residential activity will decrease as the number of completions will decline significantly. Nonetheless, in 2010, we have made new investments to create future profit opportunities for the Group. While various measures by governments around Asia may dampen activity in the shorter-term, we remain convinced of the strong underlying demand for residential units as the Asian economies continue to prosper.

At the same time, the Group's commercial portfolio remains well-placed to benefit from the continued, positive economic conditions throughout the region, particularly in Hong Kong due to the limited new supply of high-quality office space.

Overall, the Group with its excellent financial position, its experience throughout Asia and its group of talented professionals, is well-placed to capitalise on emerging opportunities.

Y K Pang

Chief Executive

3rd March 2011

Hongkong Land Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2010

	2010			2009		
	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m	Underlying business performance US\$m (restated)	Non-trading items US\$m (restated)	Total US\$m (restated)
Revenue (<i>note 2</i>)	1,340.6	-	1,340.6	1,322.6	-	1,322.6
Net operating costs (<i>note 3</i>)	(459.2)	-	(459.2)	(508.1)	-	(508.1)
	881.4	-	881.4	814.5	-	814.5
Change in fair value of investment properties	-	3,197.6	3,197.6	-	1,000.6	1,000.6
Asset impairment provisions, reversals and disposals	-	0.1	0.1	-	(8.4)	(8.4)
Operating profit (<i>note 4</i>)	881.4	3,197.7	4,079.1	814.5	992.2	1,806.7
Financing charges	(112.3)	-	(112.3)	(110.0)	-	(110.0)
Financing income	35.2	-	35.2	58.0	-	58.0
Net financing charges	(77.1)	-	(77.1)	(52.0)	-	(52.0)
Share of results of associates and joint ventures (<i>note 5</i>)	173.9	731.4	905.3	177.8	47.2	225.0
Profit before tax	978.2	3,929.1	4,907.3	940.3	1,039.4	1,979.7
Tax (<i>note 6</i>)	(122.8)	0.7	(122.1)	(120.3)	0.4	(119.9)
Profit after tax	855.4	3,929.8	4,785.2	820.0	1,039.8	1,859.8
Attributable to:						
Shareholders of the Company	810.2	3,929.2	4,739.4	777.1	1,035.9	1,813.0
Minority interests	45.2	0.6	45.8	42.9	3.9	46.8
	855.4	3,929.8	4,785.2	820.0	1,039.8	1,859.8
	US¢		US¢	US¢		US¢
Earnings per share (<i>note 8</i>)						
- basic	36.02		210.70	34.55		80.60
- diluted	35.33		202.30	33.90		77.92

Hongkong Land Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2010

	2010	2009
	US\$m	US\$m (restated)
Profit for the year	4,785.2	1,859.8
Revaluation of properties	-	83.3
Revaluation of other investments	11.0	8.5
Net actuarial gain on employee benefit plans	0.2	4.0
Net exchange translation differences	59.1	15.0
Cash flow hedges		
- net loss arising during the year	(17.1)	(7.1)
- transfer to profit and loss	7.2	(1.4)
	(9.9)	(8.5)
Share of other comprehensive income of associates and joint ventures	80.8	7.6
Tax relating to components of other comprehensive income	1.1	(0.8)
Other comprehensive income for the year	142.3	109.1
Total comprehensive income for the year	4,927.5	1,968.9
Attributable to:		
Shareholders of the Company	4,870.4	1,920.4
Minority interests	57.1	48.5
	4,927.5	1,968.9

Hongkong Land Holdings Limited
Consolidated Balance Sheet
at 31st December 2010

	At 31st December 2010 US\$m	At 31st December 2009 US\$m (restated)	At 1st January 2009 US\$m (restated)
Net operating assets			
Tangible assets (<i>note 9</i>)			
Investment properties	18,036.0	14,817.7	13,702.7
Others	4.2	3.9	14.8
	18,040.2	14,821.6	13,717.5
Associates and joint ventures	3,177.7	2,352.2	1,840.6
Other investments	59.2	46.4	-
Deferred tax assets	7.1	3.9	4.5
Pension assets	10.6	10.0	6.1
Non-current debtors	51.5	56.7	101.9
Non-current assets	21,346.3	17,290.8	15,670.6
Properties for sale	1,184.4	787.1	838.9
Current debtors	245.1	315.3	289.2
Bank balances	1,366.7	1,226.1	1,119.0
Current assets	2,796.2	2,328.5	2,247.1
Current creditors	(723.4)	(687.1)	(668.8)
Current borrowings (<i>note 10</i>)	(859.7)	(245.9)	(95.4)
Current tax liabilities	(69.2)	(120.6)	(58.2)
Current liabilities	(1,652.3)	(1,053.6)	(822.4)
Net current assets	1,143.9	1,274.9	1,424.7
Long-term borrowings (<i>note 10</i>)	(2,864.8)	(3,397.5)	(3,624.1)
Deferred tax liabilities	(54.8)	(46.2)	(41.2)
Non-current creditors	(93.1)	(50.5)	(26.8)
	19,477.5	15,071.5	13,403.2
Total equity			
Share capital	225.1	224.9	224.9
Revenue and other reserves	19,231.5	14,711.2	13,083.2
Shareholders' funds	19,456.6	14,936.1	13,308.1
Minority interests	20.9	135.4	95.1
	19,477.5	15,071.5	13,403.2

Hongkong Land Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2010

	Attributable to shareholders of the Company						Attributable to minority interests		Total equity US\$m
	Share capital	Share premium	Revenue reserves	Capital reserves	Hedging reserves	Exchange reserves	Total		
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	
2010									
At 1st January									
- as previously reported	224.9	-	12,332.5	63.4	(7.4)	142.5	12,755.9	135.4	12,891.3
- change in accounting policy for deferred tax	-	-	2,172.1	-	-	8.1	2,180.2	-	2,180.2
- as restated	224.9	-	14,504.6	63.4	(7.4)	150.6	14,936.1	135.4	15,071.5
Total comprehensive income	-	-	4,750.6	-	(8.8)	128.6	4,870.4	57.1	4,927.5
Dividends paid by the Company	-	-	(359.9)	-	-	-	(359.9)	-	(359.9)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(8.1)	(8.1)
Issue of shares	0.2	5.3	-	-	-	-	5.5	-	5.5
Change in interests in subsidiaries	-	-	4.5	-	-	-	4.5	(163.5)	(159.0)
Transfer	-	-	0.9	(0.9)	-	-	-	-	-
At 31st December	225.1	5.3	18,900.7	62.5	(16.2)	279.2	19,456.6	20.9	19,477.5
2009									
At 1st January									
- as previously reported	224.9	-	10,901.9	63.4	1.2	121.9	11,313.3	95.1	11,408.4
- change in accounting policy for deferred tax	-	-	1,986.7	-	-	8.1	1,994.8	-	1,994.8
- as restated	224.9	-	12,888.6	63.4	1.2	130.0	13,308.1	95.1	13,403.2
Total comprehensive income	-	-	1,908.4	-	(8.6)	20.6	1,920.4	48.5	1,968.9
Dividends paid by the Company	-	-	(292.4)	-	-	-	(292.4)	-	(292.4)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(6.0)	(6.0)
New subsidiary	-	-	-	-	-	-	-	(2.2)	(2.2)
At 31st December	224.9	-	14,504.6	63.4	(7.4)	150.6	14,936.1	135.4	15,071.5

Hongkong Land Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2010

	2010 US\$m	2009 US\$m (restated)
Operating activities		
Operating profit	4,079.1	1,806.7
Depreciation	1.1	1.6
Fixed assets written off	-	1.5
Write back of provision for development properties held for sale	(50.9)	-
Change in fair value of investment properties	(3,197.6)	(1,000.6)
Asset impairment provisions, reversals and disposals	(0.1)	8.4
(Increase)/decrease in properties for sale	(296.6)	152.4
Decrease/(increase) in debtors, prepayments and others	79.3	(34.3)
Increase in creditors and accruals	26.1	41.4
Interest received	38.2	62.3
Interest and other financing charges paid	(90.2)	(94.6)
Tax paid	(169.7)	(53.1)
Dividends from associates and joint ventures	271.7	11.6
Cash flows from operating activities	690.4	903.3
Investing activities		
Major renovations expenditure	(34.6)	(29.5)
Developments capital expenditure	(0.2)	(4.4)
Purchase of a subsidiary	-	(42.0)
Investments in and loans to associates and joint ventures	(17.9)	(305.2)
Purchase of other investments	(2.0)	(37.9)
Cash flows from investing activities	(54.7)	(419.0)
Financing activities		
Drawdown of borrowings	1,404.2	456.3
Repayment of borrowings	(1,380.6)	(541.4)
Change in interests in subsidiaries	(159.9)	-
(Repayment to)/contribution from minority shareholders	(11.1)	3.8
Dividends paid by the Company	(358.2)	(292.2)
Dividends paid to minority shareholders	(7.8)	(6.0)
Cash flows from financing activities	(513.4)	(379.5)
Effect of exchange rate changes	18.4	3.1
Net increase in cash and cash equivalents	140.7	107.9
Cash and cash equivalents at 1st January	1,225.0	1,117.1
Cash and cash equivalents at 31st December	1,365.7	1,225.0

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 2010 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 2010, the Group adopted the following standards, and amendments and interpretations to existing standards which are effective in the current accounting year and relevant to its operations:

Amendments to IFRS 2	Group Cash-settled Share-based Payment Transactions
Amendment to IAS 39	Eligible Hedged Items
IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 18	Transfers of Assets from Customers
Improvements to IFRSs (2009)	

The amendments to IFRS 2 ‘Group Cash-settled Share-based Payment Transactions’ incorporate the guidance provided in IFRIC 8 ‘Scope of IFRS 2’ and IFRIC 11 ‘IFRS 2 – Group and Treasury Share Transactions’ and expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation.

The amendment to IAS 39 ‘Eligible Hedged Items’ gives additional guidance on the designation of a hedged item and how hedged accounting should be applied in particular situations.

IFRIC 17 ‘Distribution of Non-cash Assets to Owners’ requires that a non-cash dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity. The dividend should be measured at the fair values of the net assets to be distributed. Any difference between the dividend paid and the carrying amount of the net assets distributed should be included in profit and loss.

IFRIC 18 ‘Transfers of Assets from Customers’ addresses the accounting by recipients for transfers of property, plant and equipment from customers and concludes that when an item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognise the asset at its fair value on the date of transfer, with the credit being recognised as revenue in accordance with IAS 18 ‘Revenue’.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

IAS 17 (amendment) 'Leases' is part of the 2009 improvement project. It specifies that a land lease may be classified as a finance lease when significant risks and rewards associated with the land are transferred to the lessee despite there being no transfer of title at the end of the lease term.

IFRS 5 (amendment) 'Non-current Assets Held for Sale and Discontinued Operations' is part of the 2009 improvement project. It clarifies that the disclosure requirements in IFRSs other than IFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale of discontinued operations unless those IFRSs require (i) specific disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations, or (ii) disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of IFRS 5 and the disclosures are not already provided in the consolidated financial statements.

IAS 1 (amendment) 'Presentation of Financial Statements' is part of the 2009 improvement project. It clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

IAS 36 (amendment) 'Impairment of Assets' is part of the 2009 improvement project. It clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8.

IFRIC 16 (amendment) 'Hedges of a Net Investment in a Foreign Operation' is part of the 2009 improvement project. It states that in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied.

The adoption of the above standards, amendments and interpretations does not have a material impact on the Group's accounting policies.

The Group also early adopted the following amendment to an existing standard which are relevant to its operations:

Amendments to IAS 12	Deferred Tax: Recovery of Underlying Assets
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The amendments to IAS 12 (effective from 1st January 2012) provides that the measurement of deferred tax liabilities and deferred tax assets arising from investment properties which are measured using the fair value model in IAS 40 should reflect a rebuttable presumption that the carrying amount of the underlying asset will be recovered through sale.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

The early adoption of the amendments to IAS 12 has resulted in a change in accounting policy on the provision of deferred tax on revaluation of investment properties. Previously, provision for deferred tax was made at the income tax rates on the revaluation of, and the tax bases of, investment properties held under operating leases on the basis that their values would be recovered through use rather than through sale. In accordance with the amendments, deferred tax is provided at the income tax rates on allowances claimed on these properties and at the capital gains tax rates on the valuation in excess of cost. As the Group's long leasehold investment properties are located in Hong Kong and Singapore where sales of a capital nature in excess of cost are not taxable, deferred tax liabilities relating to investment properties have been reduced significantly. This change in accounting policy has been accounted for retrospectively and the comparative financial statements have been restated.

Apart from the above, there have been no changes to the accounting policies described in the 2009 annual financial statements.

Effect of change in accounting policy on the adoption of amendments to IAS 12:

a) On the consolidated profit and loss account for the year ended 31st December

	2010	2009
	US\$m	US\$m
Increase in share of results of associates and joint ventures	110.5	2.6
Decrease in tax	528.2	169.3
Increase in profit after tax	638.7	171.9
Attributable to:		
Shareholders of the Company	638.7	171.9
Increase in basic earnings per share (US¢)	28.39	7.64
Increase in diluted earnings per share (US¢)	27.14	7.30

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

b) On the consolidated balance sheet at 31st December

	Increase in assets	(Increase)/decrease in equity/liabilities	
	Associates and joint ventures US\$m	Revenue and other reserves US\$m	Deferred tax liabilities US\$m
2010	166.5	(2,821.9)	2,655.4
2009	47.0	(2,180.2)	2,133.2
2008	43.1	(1,994.8)	1,951.7

2. REVENUE

	2010 US\$m	2009 US\$m
Rental income	681.8	669.0
Service income	102.2	95.4
Sales of properties	556.6	558.2
	1,340.6	1,322.6

Service income includes service and management charges and hospitality service income.

Total contingent rents included in rental income amounted to US\$9.9 million (2009: US\$7.5 million).

3. NET OPERATING COSTS

	2010 US\$m	2009 US\$m
Cost of sales	(382.6)	(437.8)
Other income	5.0	2.2
Administrative expenses	(81.6)	(72.5)
	(459.2)	(508.1)

The following credits/(charges) are included in net operating costs:

Cost of properties for sale recognised as expense	(309.4)	(318.8)
Operating expenses arising from investment properties	(124.1)	(119.0)
Reversal of writedown on development properties held for sale	50.9	-

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4. OPERATING PROFIT

	2010	2009
	US\$m	US\$m
<i>By business</i>		
Commercial property	649.0	638.2
Residential property	287.1	227.7
Corporate	(54.7)	(51.4)
	881.4	814.5
Change in fair value of investment properties	3,197.6	1,000.6
Asset impairment provisions, reversals and disposals	0.1	(8.4)
	4,079.1	1,806.7

5. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	2010	2009
	US\$m	US\$m
<i>By business</i>		
Commercial property		
- Operating profit	37.2	27.1
- Net financing charges	(14.0)	(11.2)
- Tax	(2.6)	(1.3)
- Net profit	20.6	14.6
Residential property		
- Operating profit	196.1	206.2
- Net financing charges	(4.2)	(5.3)
- Tax	(37.8)	(36.5)
- Minority interests	(0.8)	(1.2)
- Net profit	153.3	163.2
Underlying business performance	173.9	177.8
Non-trading items:		
Change in fair value of investment properties (net of deferred tax)		
- Commercial property	722.4	50.8
- Residential property	9.0	0.6
	731.4	51.4
Asset impairment provisions, reversals and disposals	-	(4.2)
	731.4	47.2
	905.3	225.0

6. TAX

	2010	2009
	US\$m	US\$m
Current tax	(115.4)	(115.0)
Deferred tax		
- changes in fair value of investment properties	0.7	0.4
- other temporary differences	(7.4)	(5.3)
	(6.7)	(4.9)
	(122.1)	(119.9)
Tax relating to components of other comprehensive income is analysed as follows:		
Pension assets	-	(0.7)
Cash flow hedges	1.1	(0.1)
	1.1	(0.8)

Tax on profits has been calculated at the rates of taxation prevailing in the territories in which the Group operates. The Group has no tax payable in the United Kingdom (2009: Nil).

Share of tax of associates and joint ventures of US\$62.0 million (2009: US\$47.3 million) are included in share of results of associates and joint ventures.

7. NON-TRADING ITEMS

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

	2010	2009
	US\$m	US\$m
Change in fair value of investment properties	3,197.6	1,000.6
Deferred tax on change in fair value of investment properties	0.7	0.4
Share of change in fair value of investment properties of associates and joint ventures (net of deferred tax)	731.4	51.4
Asset impairment provisions, reversals and disposals	0.1	(8.4)
Share of asset impairment provisions, reversals and disposals of associates and joint ventures	-	(4.2)
Minority interests	(0.6)	(3.9)
	3,929.2	1,035.9

8. EARNINGS PER SHARE

Basic earnings per share is calculated on profit attributable to shareholders of US\$4,739.4 million (2009: US\$1,813.0 million) and on the weighted average number of 2,249.4 million (2009: 2,249.3 million) shares in issue during the year.

Diluted earnings per share is calculated on profit attributable to shareholders of US\$4,760.6 million (2009: US\$1,833.7 million), which is after adjusting for the effects of the conversion of convertible bonds, and on the weighted average number of 2,353.2 million (2009: 2,353.2 million) shares in issue during the year. The weighted average number of shares for basic and diluted earnings per share is reconciled as follows:

	Ordinary shares in millions	
	2010	2009
Weighted average number of shares in issue	2,249.4	2,249.3
Adjustment for shares to be issued on conversion of convertible bonds	103.8	103.9
Weighted average number of shares for diluted earnings per share calculation	2,353.2	2,353.2

Earnings per share is 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:

	2010			2009		
	Basic earnings per share	Diluted earnings per share		Basic earnings per share	Diluted earnings per share	
	US\$m	US¢	US¢	US\$m	US¢	US¢
Underlying profit attributable to shareholders	810.2	36.02	35.33	777.1	34.55	33.90
Non-trading items (note 7)	3,929.2			1,035.9		
Profit attributable to shareholders	4,739.4	210.70		1,813.0	80.60	
Interest expense on convertible bonds (net of tax)	21.2			20.7		
Profit for calculation of diluted earnings per share	4,760.6	202.30		1,833.7		77.92

9. TANGIBLE ASSETS

	2010	2009
	US\$m	US\$m
Net book value at 1st January	14,821.6	13,717.5
Exchange rate adjustments	(6.8)	2.6
Additions	28.9	22.1
Depreciation	(1.1)	(1.6)
Written off	-	(1.5)
Net revaluation surplus	3,197.6	1,083.9
Transfer	-	(1.4)
Net book value at 31st December	18,040.2	14,821.6

10. BORROWINGS

	2010	2009
	US\$m	US\$m
<i>Current</i>		
Bank overdrafts	1.0	1.1
Current portion of long-term borrowings		
- Bank loans	253.8	10.5
- 3.01% Singapore Dollar notes due 2010	-	234.3
- 7% United States Dollar bonds due 2011	604.9	-
	859.7	245.9
<i>Long-term</i>		
Bank loans	410.7	1,405.2
7% United States Dollar bonds due 2011	-	619.1
5.5% United States Dollar bonds due 2014	548.3	537.0
3.65% Singapore Dollar notes due 2015	293.3	268.9
2.75% United States Dollar convertible bonds due 2012	372.8	368.1
Medium term notes	1,239.7	199.2
	2,864.8	3,397.5
	3,724.5	3,643.4
Secured	41.2	99.7
Unsecured	3,683.3	3,543.7
	3,724.5	3,643.4

Certain subsidiaries of the Company have mortgaged their development properties for sale as security for bank loans. The carrying value of properties mortgaged as at 31st December 2010 was US\$404.7 million (2009: US\$289.9 million).

11. DIVIDENDS

	2010 US\$m	2009 US\$m
Final dividend in respect of 2009 of US¢10.00 (2008: US¢7.00) per share	224.9	157.5
Interim dividend in respect of 2010 of US¢6.00 (2009: US¢6.00) per share	135.0	134.9
	359.9	292.4

A final dividend in respect of 2010 of US¢10.00 (2009: US¢10.00) per share amounting to a total of US\$225.1 million (2009: US\$224.9 million) is proposed by the Board. The dividend proposed will not be 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 2011.

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2010 US\$m	2009 US\$m
Capital commitments	182.9	184.0
Contribution to associates and joint ventures	845.0	614.7

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.

Hongkong Land Holdings Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The process by which the Group identifies and manages risk will be set out in more detail in the Corporate Governance section of the Company's 2010 Annual Report (the 'Report'). The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure and Transparency Rules issued by the Financial Services Authority in the United Kingdom and are in addition to the matters referred to in the Chairman's Statement and Chief Executive's Review.

Economic Risk

The Group is exposed to the risk of negative developments in global and regional economies, and financial and property markets, either directly or through the impact on the Group's joint venture partners, bankers, suppliers or tenants. These developments can result in:

- recession, inflation, deflation and currency fluctuations;
- restrictions in the availability of credit, increases in financing and construction costs and business failures; and
- reductions in office and retail rents, office and retail occupancy and sales prices of, and demand for, residential developments.

Such developments might increase costs of sales and operating costs, reduce revenues, or result in reduced valuations of the Group's investment properties or in the Group being unable to meet in full its strategic objectives.

Commercial Risk and Financial Risk

Risks are an integral part of normal commercial practices, and where practicable steps are taken to mitigate such risks. These risks are further pronounced when operating in volatile markets.

The Group makes significant investment decisions in respect of commercial and residential development projects that take time to come to fruition and achieve the desired returns and are, therefore, subject to market risks. These risks are further pronounced when operating in volatile markets.

The Group operates in areas that are highly competitive, and failure to compete effectively in terms of price, product specification or levels of service can have an adverse effect on earnings as can construction risks in relation to new developments. Significant pressure from such competition may lead to reduced margins. The quality and safety of the products and services provided by the Group are also important and there is an associated risk if they are below standard.

Hongkong Land Holdings Limited
Principal Risks and Uncertainties (continued)

Commercial Risk and Financial Risk (continued)

The steps taken by the Group to manage its exposure to financial risk will be set out in the Financial Review and in a note to the Financial Statements in the Report.

Regulatory and Political Risk

The Group is subject to a number of regulatory environments in the territories in which it operates. Changes in the regulatory approach to such matters as foreign ownership of assets and businesses, exchange controls, planning controls, tax rules and employment legislation have the potential to impact the operations and profitability of the Group. Changes in the political environment in such territories can also affect the Group.

Terrorism, Pandemic and Natural Disasters

A number of the Group's interests are vulnerable to the effects of terrorism, either directly through the impact of an act of terrorism or indirectly through the impact of generally reduced economic activity in response to the threat of or an actual act of terrorism.

The Group would be impacted by a global or regional pandemic which could be expected to seriously affect economic activity and the ability of our business to operate smoothly. In addition, many of the territories in which the Group is active can experience from time to time natural disasters such as earthquakes and typhoons.

Responsibility Statement

The Directors of the Company confirm to the best of their knowledge that:

- (a) the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and
- (b) the sections of the Company's 2010 Annual Report, including the Chairman's Statement, Chief Executive's Review and Principal Risks and Uncertainties, which constitute the management report include a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.1.8 to 4.1.11 issued by the Financial Services Authority of the United Kingdom.

For and on behalf of the Board

Y K Pang
John R Witt

Directors

3rd March 2011

The final dividend of US\$10.00 per share will be payable on 18th May 2011, subject to approval at the Annual General Meeting to be held on 11th May 2011, to shareholders on the register of members at the close of business on 18th March 2011. The ex-dividend date will be on 16th March 2011, and the share registers will be closed from 21st to 25th March 2011, 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 for the 2010 final dividend by notifying the United Kingdom transfer agent in writing by 21st April 2011. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 4th May 2011. 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.

Hongkong Land Group

Hongkong Land is one of Asia's leading property investment, management and development groups. Founded in Hong Kong in 1889, the Group has interests across the region. Hongkong Land's business is built on partnership, integrity and excellence.

In Hong Kong, the Group owns and manages some 450,000 sq. m. (five million sq. ft) of prime commercial space that defines the heart of the Central Business District. In Singapore, it is helping to create the city-state's new Central Business District with the expansion of its joint venture portfolio of new developments. Hongkong Land's properties in these and other Asian centres are recognised as market leaders and house the world's foremost financial, business and luxury retail names.

Hongkong Land also develops premium residential properties in a number of cities in the region, not least in Singapore where its subsidiary, MCL Land, is a significant developer.

Hongkong Land Holdings Limited is incorporated in Bermuda. It has a premium listing on the London Stock Exchange, and secondary listings in Bermuda and Singapore. The Group's assets and investments are managed from Hong Kong by Hongkong Land Limited. Hongkong Land is a member of the Jardine Matheson Group.

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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2010 can be accessed through the Internet at 'www.hkland.com'.