

News Release

To: Editors and Reporters

For immediate release

Hongkong Land Announces New Strategy

HONG KONG, 29 October 2024 – In a [circular](#) issued to shareholders today, Hongkong Land announced actions to focus on the development of ultra-premium integrated commercial properties in Asia's gateway cities to drive sustainable, long-term growth.

The new strategy will see the Group no longer invest in the build-to-sell segment across Asia, which consists of residential and medium-term lease assets. Instead, the Group will actively recycle capital out from this segment into new integrated commercial property opportunities as it completes all existing projects.

The new strategy aims to reinforce Hongkong Land's core capabilities, generate growth in long-term recurring income and deliver superior returns to shareholders. It follows the appointment of Michael Smith as Chief Executive of the Group on 1 April 2024 and is the result of a thorough review conducted over the past six months.

Key elements of the Group's strategy, which is expected to take a number of years to implement, include:

- Expanding its Investment Properties business in Asian gateway cities.
- Recycling capital from its build-to-sell segment to finance new integrated commercial property opportunities.
- Strengthening strategic partnerships to support its expansion.
- Identifying third-party capital to fund future growth.
- Updating its capital allocation framework to enhance shareholder returns.

Mr Michael Smith, Chief Executive of Hongkong Land, said: "Today marks the beginning of an exciting new phase of growth for Hongkong Land. Building on our 135-year heritage of innovation, exceptional hospitality and longstanding partnerships, our ambition is to become the leader in creating experience-led city centres in major Asian gateway cities that reshape how people live and work.

"By focusing on our competitive strengths and deepening our strategic partnerships with Mandarin Oriental Hotel Group and our key office and luxury tenants, we expect to accelerate growth and unlock value for generations."

Expansion in gateway cities

The Group will focus on developing, owning or managing ultra-premium mixed-use projects in Asian gateway cities that attract multinational regional offices, financial intermediaries and high-net-worth individuals. It will further invest in its existing flagship prime mixed-use projects in Hong Kong, Singapore and Shanghai, while also selectively pursuing expansion opportunities into other major gateway cities that benefit

from the “flight to quality” trends seen globally, namely higher rents and occupancy throughout real estate cycles.

Strengthening strategic partnerships

Hongkong Land will leverage strategic partnerships to expand its portfolio, enter new markets and secure new projects. It will extend its partnership with Mandarin Oriental Hotel Group and further collaborate with global leaders in financial services and luxury goods from among its more than 2,500 tenants. To support these initiatives, Hongkong Land will invest in talent development and acquisition, and consider a broad range of options to increase third-party capital to grow its Investment Properties AUM.

New financial targets

The Group’s new strategic direction will capitalise on the growth and resilience of the prime commercial and retail real estate sectors in key Asian markets and diversify its earnings. In addition, it provides clear long-term growth objectives and targets supported by near-term performance metrics. By recycling up to US\$10 billion of capital by 2035, the Group’s new strategic plan and focus is expected to double its profit before interest and tax and double dividends per share.

The roll out of the strategy commences immediately, with the initial phase focused on the recycling of capital, the establishment of deal sourcing and fundraising capabilities, and the enhancement of the Group’s culture and bench of talent through a new branding and values proposition and strategic hires.

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Hongkong Land

Hongkong Land is a major listed property investment, management and development group. Founded in 1889, it is a market leader in the development of experience-led city centres that unlock value for generations by combining innovation, placemaking, exceptional hospitality and sustainability.

The Group focuses on developing, owning and managing ultra-premium mixed-use real estate in Asian gateway cities, featuring Grade A office, luxury retail, residential and hospitality products. Its mixed-use real estate footprint spans more than 850,000 sq. m., with flagship projects in Hong Kong, Singapore and Shanghai. Its properties hold industry leading green building certifications and attract the world’s foremost companies and luxury brands.

The Group’s Hong Kong Central portfolio represents some 450,000 sq. m. of prime property. LANDMARK, the luxury shopping destination of the Hong Kong Central portfolio, is undergoing a three-year, US\$1 billion expansion and upgrade, which aims to reinforce the portfolio as a world-class destination for luxury, retail, lifestyle and business.

The Group has a further 165,000 sq. m. of prestigious office space in Singapore mainly held through joint ventures and five retail centres on the Chinese mainland, including a luxury retail centre at Wangfujing in Beijing.

In Shanghai, the Group owns a 43% interest in a 1.1 million sq. m. mixed-use project in West Bund. Due to complete in 2028, it will comprise Grade A offices, luxury and retail space, high end waterfront residential apartments, hotels and convention and cultural facilities. Alongside LANDMARK, it forms part of the Group's CENTRAL Series of globally recognised destinations for luxury and lifestyle experiences.

Hongkong Land Holdings Limited is incorporated in Bermuda and has a primary listing on the London Stock Exchange, with 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.

Michael T. Smith

Michael Smith joined Hongkong Land as Chief Executive in April 2024. Mr Smith has extensive experience in international real estate and finance with a proven track record in investment and capital allocation.

Prior to joining Hongkong Land, Mr Smith served as Regional CEO of Europe and USA for Mapletree Investments. Under Mr Smith's leadership, the Europe and USA business grew to over a third of the group's US\$55b of assets under management.

Mr Smith's 30-year career includes senior positions in the investment banking sector where he was a partner at Goldman Sachs, leading the bank's Southeast Asia investment banking, as well as Asia Pacific (ex-Japan) real estate business.

As one of the pioneers of Asia's REIT industry, Mr Smith played an instrumental role in numerous REIT listings including the Link REIT in HK, all four Mapletree REITs in Singapore and advised numerous other REITs and real estate companies across Asia Pacific.

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