Hongkong Land Holdings Limited

News Release

To: Business Editor

30th July 2015
For immediate release

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

HONGKONG LAND HOLDINGS LIMITED
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2015

Highlights

- Underlying profit down 3%
- Strong performance from commercial portfolio maintained
- Another solid residential contribution
- Stable asset values

"While the strong performance from the commercial portfolio is expected to continue in the second half of the year, earnings from our residential business will be lower than last year mainly due to fewer completions in Singapore and no sales in Hong Kong."

Ben Keswick
Chairman

Results

	(unaudited) Six months ended 30th June **2015** **US$m**	2014 US$m	Change %
Underlying profit attributable to shareholders#	**419**	433	–3
Profit attributable to shareholders	**513**	563	–9
Shareholders' funds	**27,673**	27,548*	-
Net debt	**2,575**	2,657*	–3
	US¢	US¢	%
Underlying earnings per share#	**17.82**	18.38	–3
Earnings per share	**21.79**	23.91	–9
Interim dividend per share	**6.00**	6.00	-
	US$	US$	%
Net asset value per share	**11.76**	11.71*	-

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 8 to the condensed financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

* At 31st December 2014

The interim dividend of US¢6.00 per share will be payable on 14th October 2015 to shareholders on the register of members at the close of business on 21st August 2015.

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HONGKONG LAND HOLDINGS LIMITED
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2015

OVERVIEW
The Group's commercial portfolio produced another strong contribution as it benefited from lower vacancy. In the residential sector, there was a higher contribution from mainland China, but this was partly offset by the absence of a contribution from Hong Kong as the Serenade development was fully sold last year.

PERFORMANCE
During the first half of 2015, the Group's underlying profit attributable to shareholders was US$419 million, compared with US$433 million in 2014. While operating results were marginally higher, this was offset by higher tax charges due to the geographic mix of sales. The profit attributable to shareholders for the period was US$513 million after accounting for a net gain of US$94 million, principally arising from valuation of the Group's investment properties. This compares with US$563 million in the same period last year, which included net non-trading gains of US$130 million.

The net asset value per share was stable at US$11.76, broadly unchanged from the prior year end.

The Directors have declared an interim dividend of US¢6.00 per share, unchanged from the prior year.

GROUP REVIEW
Commercial Property
The commercial office market in Hong Kong showed signs of improvement during the first half of the year with increases in leasing activity. The Group is well positioned to benefit from the strengthening demand due to the lack of supply of comparable office space across Hong Kong.

The Group's average office rent was HK$101 per sq. ft, unchanged from the second half of 2014. Reversions in office rents were marginally positive overall. Vacancy at the end of June was 4.2%, down from 5.4% at the end of December 2014. The Group's retail portfolio was 100% occupied, and rental reversions continued to be positive. The average retail rent rose to HK$219 per sq. ft, compared with HK$210 per sq. ft and HK$218 per sq. ft in the first and second halves of 2014, respectively.

In Singapore, the market remained stable with vacancy of 1.9% in the Group's office portfolio, compared with 1.7% at the end of 2014. In Jakarta, the Group's 50%-owned office portfolio continued to achieve higher rents.

Construction is progressing well at the Group's luxury retail complex project in Beijing, WF CENTRAL at Wangfujing, and its office tower in central Jakarta, the World Trade Centre Three development.

Residential Developments

The contribution from the Group's residential business in the first half of 2015 was higher than the same period in 2014, despite the absence of sales at the Serenade project in Hong Kong which was fully sold last year.

In mainland China, the Group's residential business showed increased profits principally due to completions at its wholly-owned projects. In the first six months, the Group's attributable interest in contracted sales was US$328 million, compared with US$262 million and US$373 million in the first and second halves of 2014, respectively. At 30th June 2015, the Group had US$585 million in sold but unrecognised contracted sales, compared with US$533 million at the end of 2014.

In April, the Group disposed of its Park Life joint venture in Shenyang. The Group is also in discussion with its joint venture partner on the disposal of its interests in the two remaining projects in Shenyang.

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In May, the Group signed a memorandum of understanding to establish a joint venture to develop a mixed-use project in Pudong, Shanghai. The project will comprise residential and commercial components, with a total developable area of approximately 227,000 sq. m.

In July, the Group jointly acquired two residential sites adjacent to its existing Bamboo Grove joint venture project in Chongqing for US$393 million. The sites will reinforce the Group's market position in the city.

In Singapore, MCL Land completed the 75-unit Hallmark Residences and the 32-unit Palms@Sixth Avenue which are 97% and 88% sold, respectively. In the first half of 2014, there were no projects completed in Singapore. Ripple Bay, consisting of 679 units which are fully pre-sold, remains on schedule for completion later this year. In 2016, two projects are scheduled for completion; J Gateway with 738 units is 100% pre-sold, while at LakeVille 71% of its 699 units are pre-sold.

In the first half of the year, MCL Land acquired a residential site at Jurong West in Singapore adjacent to its LakeVille development for US$250 million, on which some 700 units are planned for construction. This acquisition enhances the company's competitive position in the Jurong Lake District.

In Indonesia, work is progressing well on the Group's 49%-owned joint venture project, Nava Park, and its 40%-owned joint venture project with Astra International, Anandamaya Residences. In the Philippines, good progress is being made on the construction of Two Roxas Triangle, the 40%-owned 182-unit luxury development in Manila.

Financing

The Group's financial position remained strong with net debt of US$2.6 billion at 30th June 2015, compared with US$2.7 billion at the end of 2014. Gearing decreased to 9%, compared with 10% at the end of last year.

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OUTLOOK

While the strong performance from the commercial portfolio is expected to continue in the second half of the year, earnings from our residential business will be lower than last year mainly due to fewer completions in Singapore and no sales in Hong Kong.

Ben Keswick
Chairman

Hongkong Land Holdings Limited
Consolidated Profit and Loss Account

	(unaudited) Six months ended 30th June						Year ended 31st December		
	2015			2014			2014		
	Underlying business performance US$m	**Non-trading items US$m**	**Total US$m**	Underlying business performance US$m	Non-trading items US$m	Total US$m	Underlying business performance US$m	Non-trading items US$m	Total US$m
Revenue *(note 2)*	**905.1**	**-**	**905.1**	602.2	-	602.2	1,876.3	-	1,876.3
Net operating costs *(note 3)*	**(448.9)**	**-**	**(448.9)**	(140.6)	(1.1)	(141.7)	(809.0)	(1.1)	(810.1)
Change in fair value of investment properties	**-**	**72.3**	**72.3**	-	15.6	15.6	-	15.9	15.9
Asset impairment reversals	**-**	**13.9**	**13.9**	-	-	-	-	9.2	9.2
Operating profit *(note 4)*	**456.2**	**86.2**	**542.4**	461.6	14.5	476.1	1,067.3	24.0	1,091.3
Financing charges	**(58.0)**	**-**	**(58.0)**	(57.3)	-	(57.3)	(113.5)	-	(113.5)
Financing income	**19.4**	**-**	**19.4**	22.7	-	22.7	44.5	-	44.5
Net financing charges	**(38.6)**	**-**	**(38.6)**	(34.6)	-	(34.6)	(69.0)	-	(69.0)
Share of results of associates and joint ventures *(note 5)*	**85.9**	**12.9**	**98.8**	75.6	123.1	198.7	122.8	392.3	515.1
Profit before tax	**503.5**	**99.1**	**602.6**	502.6	137.6	640.2	1,121.1	416.3	1,537.4
Tax *(note 6)*	**(81.7)**	**(4.4)**	**(86.1)**	(68.2)	(4.3)	(72.5)	(187.9)	(7.8)	(195.7)
Profit after tax	**421.8**	**94.7**	**516.5**	434.4	133.3	567.7	933.2	408.5	1,341.7
Attributable to:									
Shareholders of the Company	**419.2**	**93.5**	**512.7**	432.5	130.0	562.5	929.9	397.5	1,327.4
Non-controlling interests	**2.6**	**1.2**	**3.8**	1.9	3.3	5.2	3.3	11.0	14.3
	421.8	**94.7**	**516.5**	434.4	133.3	567.7	933.2	408.5	1,341.7
	US¢		**US¢**	US¢		US¢	US¢		US¢
Earnings per share *(note 7)*	**17.82**		**21.79**	18.38		23.91	39.52		56.42

Hongkong Land Holdings Limited
Consolidated Statement of Comprehensive Income

	(unaudited) Six months ended 30th June **2015** **US$m**	2014 US$m	Year ended 31st December 2014 US$m
Profit for the period	**516.5**	567.7	1,341.7
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	**-**	-	(2.5)
Tax on items that will not be reclassified	**-**	-	0.4
	-	-	(2.1)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences	**(25.3)**	(11.4)	(119.2)
Revaluation of other investments	**12.5**	(6.8)	(4.5)
Cash flow hedges			
- net (loss)/gain arising during the period	**(17.6)**	7.2	21.1
- transfer to profit and loss	**(1.4)**	(0.2)	(0.8)
	(19.0)	7.0	20.3
Tax relating to items that may be reclassified	**3.2**	(1.2)	(3.5)
Share of other comprehensive expense of associates and joint ventures	**(53.6)**	(5.7)	(106.5)
	(82.2)	(18.1)	(213.4)
Other comprehensive expense for the period, net of tax	**(82.2)**	(18.1)	(215.5)
Total comprehensive income for the period	**434.3**	549.6	1,126.2
Attributable to:			
Shareholders of the Company	**430.6**	545.9	1,113.3
Non-controlling interests	**3.7**	3.7	12.9
	434.3	549.6	1,126.2

Hongkong Land Holdings Limited
Consolidated Balance Sheet

	2015 **US$m**	(unaudited) At 30th June 2014 US$m	At 31st December 2014 US$m
Net operating assets			
Leasehold land	**7.6**	7.6	7.6
Tangible fixed assets	**17.2**	13.5	16.6
Investment properties *(note 10)*	**23,871.4**	23,682.5	23,697.3
Associates and joint ventures	**4,624.7**	5,086.8	4,904.1
Other investments	**65.4**	50.7	53.0
Non-current debtors	**39.1**	37.1	54.9
Deferred tax assets	**12.0**	6.3	3.7
Pension assets	**4.2**	7.6	4.7
Non-current assets	**28,641.6**	28,892.1	28,741.9
Properties for sale	**3,017.3**	3,195.4	2,923.1
Current debtors	**340.8**	267.2	292.2
Current tax assets	**14.8**	21.3	12.7
Bank balances	**1,707.1**	1,348.5	1,662.6
Current assets	**5,080.0**	4,832.4	4,890.6
Current creditors	**(1,393.9)**	(1,704.6)	(1,441.7)
Current borrowings *(note 11)*	**(279.6)**	(1.3)	(288.6)
Current tax liabilities	**(132.7)**	(104.4)	(101.9)
Current liabilities	**(1,806.2)**	(1,810.3)	(1,832.2)
Net current assets	**3,273.8**	3,022.1	3,058.4
Long-term borrowings *(note 11)*	**(4,002.1)**	(4,570.1)	(4,031.0)
Deferred tax liabilities	**(106.0)**	(86.3)	(110.8)
Non-current creditors	**(82.4)**	(93.4)	(60.1)
	27,724.9	27,164.4	27,598.4
Total equity			
Share capital	**235.3**	235.3	235.3
Revenue and other reserves	**27,437.6**	26,885.3	27,312.8
Shareholders' funds	**27,672.9**	27,120.6	27,548.1
Non-controlling interests	**52.0**	43.8	50.3
	27,724.9	27,164.4	27,598.4

Hongkong Land Holdings Limited
Consolidated Statement of Changes in Equity

	Share capital US$m	Share premium US$m	Revenue reserves US$m	Hedging reserves US$m	Exchange reserves US$m	Attributable to shareholders of the Company US$m	Attributable to non-controlling interests US$m	Total equity US$m
Six months ended 30th June 2015								
At 1st January 2015	**235.3**	**370.0**	**26,651.9**	**17.5**	**273.4**	**27,548.1**	**50.3**	**27,598.4**
Total comprehensive income	**-**	**-**	**525.2**	**(15.3)**	**(79.3)**	**430.6**	**3.7**	**434.3**
Dividends paid by the Company *(note 9)*	**-**	**-**	**(305.8)**	**-**	**-**	**(305.8)**	**-**	**(305.8)**
Dividends paid to non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**(2.0)**	**(2.0)**
At 30th June 2015	**235.3**	**370.0**	**26,871.3**	**2.2**	**194.1**	**27,672.9**	**52.0**	**27,724.9**
Six months ended 30th June 2014								
At 1st January 2014	235.3	370.0	25,753.3	(0.4)	498.8	26,857.0	42.1	26,899.1
Total comprehensive income	-	-	555.7	6.1	(15.9)	545.9	3.7	549.6
Dividends paid by the Company *(note 9)*	-	-	(282.3)	-	-	(282.3)	-	(282.3)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(2.0)	(2.0)
At 30th June 2014	235.3	370.0	26,026.7	5.7	482.9	27,120.6	43.8	27,164.4

Total comprehensive income for the six months ended 30th June 2015 included in revenue reserves mainly comprises profit attributable to shareholders of the Company of US$512.7 million *(2014: US$562.5 million)* and a fair value gain on other investments of US$12.5 million *(2014: loss of US$6.8 million)*. Cumulative fair value gain on other investments amounted to US$27.7 million.

(Consolidated Statement of Changes in Equity continued on page 10)

Hongkong Land Holdings Limited
Consolidated Statement of Changes in Equity *(continued)*

	Share capital US$m	Share premium US$m	Revenue reserves US$m	Hedging reserves US$m	Exchange reserves US$m	Attributable to shareholders of the Company US$m	Attributable to non-controlling interests US$m	Total equity US$m
Year ended 31st December 2014								
At 1st January 2014	235.3	370.0	25,753.3	(0.4)	498.8	26,857.0	42.1	26,899.1
Total comprehensive income	-	-	1,320.8	17.9	(225.4)	1,113.3	12.9	1,126.2
Dividends paid by the Company	-	-	(423.5)	-	-	(423.5)	-	(423.5)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(4.7)	(4.7)
Unclaimed dividends forfeited	-	-	1.3	-	-	1.3	-	1.3
At 31st December 2014	235.3	370.0	26,651.9	17.5	273.4	27,548.1	50.3	27,598.4

Total comprehensive income for the year ended 31st December 2014 included in revenue reserves mainly comprises profit attributable to shareholders of the Company of US$1,327.4 million and a fair value loss on other investments of US$4.5 million. Cumulative fair value gain on other investments amounted to US$15.2 million.

Hongkong Land Holdings Limited
Consolidated Cash Flow Statement

	2015 US$m	(unaudited) Six months ended 30th June 2014 US$m	Year ended 31st December 2014 US$m
Operating activities			
Operating profit	**542.4**	476.1	1,091.3
Depreciation	**1.4**	1.2	2.4
Reversal of writedowns on properties for sale	**(16.0)**	(33.5)	(55.6)
Change in fair value of investment properties	**(72.3)**	(15.6)	(15.9)
Asset impairment reversals	**(13.9)**	-	(9.2)
Increase in properties for sale	**(113.6)**	(501.4)	(310.5)
Increase in debtors	**(56.1)**	(4.3)	(28.6)
(Decrease)/increase in creditors	**(9.0)**	322.5	88.2
Interest received	**21.2**	28.6	50.7
Interest and other financing charges paid	**(62.3)**	(68.0)	(132.0)
Tax paid	**(66.8)**	(43.1)	(134.3)
Dividends from associates and joint ventures	**45.6**	64.3	152.5
Cash flows from operating activities	**200.6**	226.8	699.0
Investing activities			
Major renovations expenditure	**(22.2)**	(22.6)	(37.8)
Developments capital expenditure	**(56.5)**	(75.5)	(136.6)
Investments in and loans to associates and joint ventures	**267.3**	(7.2)	262.6
Cash flows from investing activities	**188.6**	(105.3)	88.2
Financing activities			
Drawdown of borrowings	**137.2**	1,204.0	1,216.9
Repayment of borrowings	**(149.7)**	(1,089.8)	(1,307.5)
Dividends paid by the Company	**(304.1)**	(280.1)	(421.1)
Dividends paid to non-controlling shareholders	**(2.0)**	(2.0)	(4.7)
Cash flows from financing activities	**(318.6)**	(167.9)	(516.4)
Effect of exchange rate changes	**(23.0)**	(8.7)	(14.5)
Net increase/(decrease) in cash and cash equivalents	**47.6**	(55.1)	256.3
Cash and cash equivalents at beginning of period	**1,658.6**	1,402.3	1,402.3
Cash and cash equivalents at end of period	**1,706.2**	1,347.2	1,658.6

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed financial statements have been prepared on a going concern basis. The condensed financial statements have not been audited or reviewed by the Group's auditors pursuant to the UK Auditing Practices Board guidance on the review of interim financial information.

The following amendments which are effective in the current accounting period and relevant to the Group's operations are adopted in 2015:

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Annual Improvements to IFRSs	2010 – 2012 Cycle
	2011 – 2013 Cycle

Amendments to IAS 19 'Employee Benefits' clarify the accounting requirements for contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Annual Improvements to IFRSs 2010 – 2012 Cycle and 2011 – 2013 Cycle comprise a number of non-urgent but necessary amendments to IFRSs. The amendments which are relevant to the Group's operations include the followings:

Amendment to IFRS 2 'Share-based Payment' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

Amendment to IFRS 3 'Business Combinations' clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 'Financial Instruments: Presentation'. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

Amendment to IFRS 8 'Operating Segments' requires disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

Amendment to IAS 24 'Related Party Disclosures' includes, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'). The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

Amendment to IFRS 3 'Business Combinations' clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

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1. ACCOUNTING POLICIES AND BASIS OF PREPARATION *(continued)*

Amendment to IFRS 13 'Fair Value Measurement' clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts within the scope of IAS 39 or IFRS 9.

Amendment to IAS 40 'Investment Property' clarifies that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.

There have been no changes to the accounting policies described in the 2014 annual financial statements upon the adoption of the above amendments to existing standards. The adoption of these amendments do not have any significant impact on the results or financial position of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2. REVENUE

	Six months ended 30th June	
	2015	2014
	US$m	US$m
Rental income	**422.0**	424.3
Service income	**63.2**	62.1
Sales of properties	**419.9**	115.8
	905.1	602.2

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

3. NET OPERATING COSTS

	Six months ended 30th June	
	2015	2014
	US$m	US$m
Cost of sales	**(400.6)**	(96.6)
Other income	**4.8**	3.9
Administrative expenses	**(53.1)**	(49.0)
	(448.9)	(141.7)

4. OPERATING PROFIT

	Six months ended 30th June 2015 US$m	2014 US$m
By business		
Commercial Property	**405.0**	406.7
Residential Property	**82.3**	85.1
Corporate	**(31.1)**	(30.2)
Underlying business performance	**456.2**	461.6
Non-trading items		
Change in fair value of investment properties		
- Commercial Property	**66.1**	16.3
- Residential Property	**6.2**	(0.7)
	72.3	15.6
Asset impairment reversals	**13.9**	-
Others	**-**	(1.1)
	86.2	14.5
	542.4	476.1

5. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Six months ended 30th June 2015 US$m	2014 US$m
By business		
Commercial Property		
- operating profit	**71.9**	77.8
- net financing charges	**(18.0)**	(18.0)
- tax	**(8.9)**	(9.6)
- net profit	**45.0**	50.2
Residential Property		
- operating profit	**63.1**	38.6
- net financing charges	**2.4**	0.4
- tax	**(21.2)**	(13.4)
- non-controlling interests	**(3.4)**	(0.2)
- net profit	**40.9**	25.4
Underlying business performance	**85.9**	75.6
Change in fair value of investment properties (net of deferred tax)		
- Commercial Property	**12.2**	124.8
- Residential Property	**0.7**	(1.7)
	12.9	123.1
	98.8	198.7

6. TAX

	Six months ended 30th June	
	2015	2014
	US$m	US$m
Tax charged to profit and loss is analysed as follows:		
Current tax	**(95.9)**	(71.2)
Deferred tax		
- changes in fair value of investment properties	**(4.4)**	(4.3)
- other temporary differences	**14.2**	3.0
	(86.1)	(72.5)
Tax relating to components of other comprehensive income is analysed as follows:		
Cash flow hedges	**3.2**	(1.2)

Tax on profits has been calculated at the rates of taxation prevailing in the territories in which the Group operates.

Share of tax of associates and joint ventures of US$32.0 million *(2014: US$33.5 million)* is included in share of results of associates and joint ventures.

7. EARNINGS PER SHARE

Earnings per share are calculated on profit attributable to shareholders of US$512.7 million *(2014: US$562.5 million)* and on the weighted average number of 2,352.8 million *(2014: 2,352.8 million)* shares in issue during the period.

Earnings per share are additionally calculated based on underlying profit attributable to shareholders. A reconciliation of earnings is set out below:

	Six months ended 30th June			
	2015		2014	
	US$m	**Earnings per share US¢**	US$m	Earnings per share US¢
Underlying profit attributable to shareholders	**419.2**	**17.82**	432.5	18.38
Non-trading items *(note 8)*	**93.5**		130.0	
Profit attributable to shareholders	**512.7**	**21.79**	562.5	23.91

8. NON-TRADING ITEMS

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties; gains and losses arising from the sale of businesses, investments and investment properties; impairment of non-depreciable intangible assets and other investments; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

An analysis of non-trading items is set out below:

	Six months ended 30th June	
	2015	2014
	US$m	US$m
Change in fair value of investment properties	**72.3**	15.6
Deferred tax on change in fair value of investment properties	**(4.4)**	(4.3)
Share of change in fair value of investment properties of associates and joint ventures (net of deferred tax)	**12.9**	123.1
Asset impairment reversals	**13.9**	-
Expenses relating to transfer of listing segment of the Company's shares	**-**	(1.1)
Non-controlling interests	**(1.2)**	(3.3)
	93.5	130.0

9. DIVIDENDS

	Six months ended 30th June	
	2015	2014
	US$m	US$m
Final dividend in respect of 2014 of US¢13.00 *(2013: US¢12.00)* per share	**305.8**	282.3

An interim dividend in respect of 2015 of US¢6.00 *(2014: US¢6.00)* per share amounting to a total of US$141.2 million *(2014: US$141.2 million)* is declared by the Board and will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2015.

10. INVESTMENT PROPERTIES

	Six months ended 30th June		Year ended 31st December
	2015	2014	2014
	US$m	US$m	US$m
Net book value at beginning of period	**23,697.3**	23,583.0	23,583.0
Exchange differences	**0.2**	3.4	(48.2)
Additions	**101.6**	80.5	146.6
Increase in fair value	**72.3**	15.6	15.9
Net book value at end of period	**23,871.4**	23,682.5	23,697.3

11. BORROWINGS

	2015 US$m	At 30th June 2014 US$m	At 31st December 2014 US$m
Current			
Bank overdrafts	**0.9**	1.3	4.0
Current portion of long-term borrowings			
- bank loans	**0.3**	-	0.3
- 3.65% Singapore dollar notes due 2015	**278.4**	-	284.3
	279.6	1.3	288.6
Long-term			
Bank loans	**1,095.9**	1,364.7	1,119.6
3.65% Singapore dollar notes due 2015	**-**	300.8	-
Medium term notes			
- due 2017	**38.2**	42.2	39.3
- due 2019	**103.1**	103.1	103.1
- due 2020	**309.1**	317.7	311.3
- due 2021	**69.4**	68.2	68.8
- due 2022	**600.9**	591.5	601.1
- due 2023	**179.3**	179.2	179.1
- due 2024	**406.3**	401.6	408.5
- due 2025	**653.8**	655.1	654.4
- due 2026	**38.6**	38.6	38.6
- due 2027	**186.0**	186.0	185.9
- due 2028	**79.7**	79.6	79.5
- due 2029	**50.8**	50.8	50.8
- due 2030	**103.2**	103.2	103.2
- due 2031	**25.4**	25.4	25.4
- due 2032	**30.3**	30.3	30.3
- due 2040	**32.1**	32.1	32.1
	2,906.2	2,904.6	2,911.4
	4,002.1	4,570.1	4,031.0
	4,281.7	4,571.4	4,319.6

12. FINANCIAL INSTRUMENTS

Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 30th June 2015 and 31st December 2014 are as follows:

	Loans and receivables US$m	Derivatives used for hedging US$m	Available-for-sale US$m	Other financial instruments at amortised cost US$m	Other financial instruments at fair value through profit and loss US$m	Total carrying amount US$m	Fair value US$m
30th June 2015							
Assets							
Other investments	**-**	**-**	**65.4**	**-**	**-**	**65.4**	**65.4**
Debtors	**188.0**	**26.9**	**-**	**-**	**11.3**	**226.2**	**226.2**
Bank balances	**1,707.1**	**-**	**-**	**-**	**-**	**1,707.1**	**1,707.1**
	1,895.1	**26.9**	**65.4**	**-**	**11.3**	**1,998.7**	**1,998.7**
Liabilities							
Borrowings	**-**	**-**	**-**	**(4,281.7)**	**-**	**(4,281.7)**	**(4,369.3)**
Creditors excluding non-financial liabilities	**-**	**(18.4)**	**-**	**(730.8)**	**-**	**(749.2)**	**(749.2)**
	-	**(18.4)**	**-**	**(5,012.5)**	**-**	**(5,030.9)**	**(5,118.5)**
31st December 2014							
Assets							
Other investments	-	-	53.0	-	-	53.0	53.0
Debtors	149.0	40.6	-	-	12.1	201.7	201.7
Bank balances	1,662.6	-	-	-	-	1,662.6	1,662.6
	1,811.6	40.6	53.0	-	12.1	1,917.3	1,917.3
Liabilities							
Borrowings	-	-	-	(4,319.6)	-	(4,319.6)	(4,394.9)
Creditors excluding non-financial liabilities	-	(27.2)	-	(763.3)	-	(790.5)	(790.5)
	-	(27.2)	-	(5,082.9)	-	(5,110.1)	(5,185.4)

Fair value estimation

(i) Financial instruments that are measured at fair value

For financial instruments that are measured at fair value in the balance sheet, the corresponding fair value measurements are disclosed by level of the following fair value measurement hierarchy:

(a) *Quoted prices (unadjusted) in active markets for identical assets or liabilities ('quoted prices in active markets')*

The fair value of listed securities, which are classified as available-for-sale, is based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

12. FINANCIAL INSTRUMENTS *(continued)*

(b) Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly ('observable current market transactions')
The fair values of derivative financial instruments are determined using rates quoted by the Group's bankers at the balance sheet date. The rates for interest rate swaps, cross-currency swaps and forward foreign exchange contracts are calculated by reference to market interest rates and foreign exchange rates.

There were no changes in valuation techniques during the period.

The table below analyses financial instruments carried at fair value at 30th June 2015 and 31st December 2014, by the levels in the fair value measurement hierarchy:

	Quoted prices in active markets US$m	Observable current market transactions US$m	Total US$m
30th June 2015			
Assets			
Available-for-sale financial assets			
- listed securities	**65.4**	**-**	**65.4**
Derivative designated at fair value			
- through other comprehensive income	**-**	**8.3**	**8.3**
- through profit and loss	**-**	**18.6**	**18.6**
	65.4	**26.9**	**92.3**
Liabilities			
Derivative designated at fair value			
- through other comprehensive income	**-**	**8.0**	**8.0**
- through profit and loss	**-**	**10.4**	**10.4**
	-	**18.4**	**18.4**
31st December 2014			
Assets			
Available-for-sale financial assets			
- listed securities	53.0	-	53.0
Derivative designated at fair value			
- through other comprehensive income	-	20.9	20.9
- through profit and loss	-	19.7	19.7
	53.0	40.6	93.6
Liabilities			
Derivative designated at fair value			
- through other comprehensive income	-	(17.5)	(17.5)
- through profit and loss	-	(9.7)	(9.7)
	-	(27.2)	(27.2)

There were no transfers among the two categories during the period.

12. FINANCIAL INSTRUMENTS *(continued)*

(ii) Financial instruments that are not measured at fair value
The fair values of current debtors, bank balances, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings are based on market prices or are estimated using the expected future payments discounted at market interest rates.

13. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 30th June 2015 and 31st December 2014 amounted to US$467.1 million and US$652.6 million, respectively.

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 condensed financial statements.

14. RELATED PARTY TRANSACTIONS

The parent company of the Group is Jardine Strategic Holdings Limited and the ultimate holding company is Jardine Matheson Holdings Limited ('JMH'). Both companies are incorporated in Bermuda.

In the normal course of business, the Group has entered into a variety of transactions with the subsidiaries, associates and joint ventures of JMH ('Jardine Matheson group members'). The more significant of these transactions are described below:

Management fee
The management fee payable by the Group, under an agreement entered into in 1995, to Jardine Matheson Limited ('JML') in 2015 was US$2.0 million *(2014: US$2.2 million)*, being 0.5% per annum of the Group's underlying profit in consideration for management consultancy services provided by JML, a wholly-owned subsidiary of JMH.

Property and other services
The Group rented properties to Jardine Matheson group members. Gross rents on such properties in 2015 amounted to US$9.5 million *(2014: US$9.6 million)*.

The Group provided consultancy services to Jardine Matheson group members in 2015 amounting to US$0.2 million *(2014: US$0.2 million)*.

Jardine Matheson group members provided property construction, maintenance and other services to the Group in 2015 in aggregate amounting to US$22.4 million (*2014: US$13.4 million)*.

Hotel management services
Jardine Matheson group members provided hotel management services to the Group in 2015 amounted to US$1.2 million *(2014: US$1.7 million)*.

Outstanding balances with associates and joint ventures
Amounts of outstanding balances with associates and joint ventures are included in debtors and creditors as appropriate. The amounts are not material.

Hongkong Land Holdings Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The following have been identified previously as the areas of principal risk and uncertainty facing the Company, and they remain relevant in the second half of the year:

- Economic Risk
- Commercial Risk and Financial Risk
- Regulatory and Political Risk
- Terrorism, Pandemic and Natural Disasters

For greater detail, please refer to page 74 of the Company's Annual Report for 2014, a copy of which is available on the Company's website www.hkland.com.

Responsibility Statement

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

(a) the condensed financial statements have been prepared in accordance with IAS 34; and

(b) the interim management report includes a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Y.K. Pang
John R. Witt

Directors

30th July 2015

The interim dividend of US¢6.00 per share will be payable on 14th October 2015 to shareholders on the register of members at the close of business on 21st August 2015. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 19th and 20th August 2015, respectively. The share registers will be closed from 24th to 28th August 2015, inclusive.

Shareholders will receive their cash 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 2015 interim dividend by notifying the United Kingdom transfer agent in writing by 25th September 2015. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 30th September 2015.

Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends only in sterling as calculated above. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive their cash dividends in United States dollars unless they elect, through CDP, to receive Singapore dollars.

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 21st August 2015, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, no later than 5.00 p.m. (local time) on 20th August 2015.

Hongkong Land Group

Hongkong Land is a listed leading property investment, management and development group. Founded in 1889, Hongkong Land's business is built on excellence, integrity and partnership.

The Group owns and manages almost 800,000 sq. m. of prime office and luxury retail property in key Asian cities, principally in Hong Kong and Singapore. Hongkong Land's properties attract the world's foremost companies and luxury brands.

Its Hong Kong Central portfolio represents some 450,000 sq. m. of prime property. It has a further 165,000 sq. m. of prestigious office space in Singapore mainly held through joint ventures, and a 50% interest in a leading office complex in central Jakarta. The Group also has a number of residential and mixed-use projects under development in cities across Greater China and Southeast Asia, including a luxury retail centre at Wangfujing in Beijing. In Singapore, its subsidiary, MCL Land, is a well-established residential developer.

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

- end -

For further information, please contact:

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As permitted by the Disclosure and Transparency Rules of the Financial Conduct Authority in the United Kingdom, the Company will not be posting a printed version of the Half-Yearly Results announcement to shareholders. The Half-Yearly Results announcement will remain available on the Company's website, www.hkland.com, together with other Group announcements.