

NEWS RELEASE

To: Business/Property Editor

 Date: 11 August 2009
 For immediate release

**HYSAN DEVELOPMENT COMPANY LIMITED
 2009 INTERIM RESULTS**
Highlights

- **Positive rental reversions benefited commercial properties (Group turnover up 7.6%)**
- **Interim dividend per share unchanged**
- **Our performance expected to remain resilient for the rest of the year**

RESULTS

	Six months ended 30 June		
	<u>2009</u>	<u>2008</u>	<u>Change</u>
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>
Turnover	851	791	7.6
Recurring Underlying Profit ¹	580	605	(4.1)
Underlying Profit ²	583	618	(5.7)
Statutory Profit ³	1,071	3,437	(68.8)
	<i>HK cents</i>	<i>HK cents</i>	
Earnings per share, based on:			
Recurring Underlying Profit ¹	55.65	58.30	(4.5)
Underlying Profit ²	55.94	59.55	(6.1)
Statutory Profit ³	102.77	331.20	(69.0)
Interim dividend per share	14.00	14.00	-
	At 30 June	At 31 December	
	<u>2009</u>	<u>2008</u>	
	<i>HK\$ million</i>	<i>HK\$ million</i>	
Shareholders' funds	32,153	31,469	2.2
Adjusted Shareholders' Funds ⁴	35,404	34,660	2.1
	<i>HK\$</i>	<i>HK\$</i>	
Net assets value per share	30.63	30.23	1.3
Adjusted net assets value per share	33.72	33.29	1.3

Definitions:

1. Recurring Underlying Profit

This is a performance indicator of the Group's core property investment business. It is arrived at by excluding from Underlying Profit gains/losses from disposal of assets, impairment, reversal, recovery and tax provisions for prior year(s).

2. Underlying Profit

This is arrived at by excluding from Statutory Profit unrealised fair value changes on investment properties and related deferred tax. As a property investor, the Group's results are principally derived from the rental revenues on its investment properties. The inclusion of the unrealised fair value change on investment properties in the consolidated income statement causes an increase in fluctuation in earnings and poses limitation on the use of the unadjusted earning figures, financial ratios, trends and comparison against prior period(s). Besides, deferred tax on such fair value changes has to be provided for despite the fact that no capital gain tax liability will arise in Hong Kong on disposal of the Group's investment properties. Accordingly, both of these two items are excluded in arriving at the Underlying Profit.

3. Statutory Profit

This is the profit attributable to owners of the Company. It is prepared in accordance with Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance.

4. Adjusted Shareholders' Funds

This is arrived at by adding back the Group's share of cumulative deferred tax on property revaluation to shareholders' funds figure. Deferred tax on property revaluation has to be provided for despite the fact that no capital gains tax liability will arise in Hong Kong on disposal of properties.

**HYSAN DEVELOPMENT FIRST HALF 2009 TURNOVER
UP 7.6 % TO HK\$851 MILLION**

Results

Hysan Development Company Limited (Stock Code: 00014) today (11 August 2009) announced the Group's **turnover** for the six months ended 30 June 2009 increased by 7.6% to HK\$851 million (2008: HK\$791 million). For the Office sector, the turnover growth was 12.0%. The Retail sector's growth was 4.5% while the Residential sector showed an increase of 3.6%.

Recurring Underlying Profit, which measures the performance of the Group's core leasing property business, was HK\$580 million (2008: HK\$605 million). **Underlying Profit**, which adjusts for the fair value changes on investment properties and related deferred tax on Statutory Profit, was HK\$583 million (2008: HK\$618 million). These reflected the recording of more substantial financial investment returns in 2008.

Statutory Profit was HK\$1,071 million (2008: HK\$3,437 million). This reflected a smaller fair value gain on valuation of investment properties.

Finance Costs were reduced by 4.1% to HK\$71 million (2008: HK\$74 million) due mainly to lower interest rate in the first half of 2009.

Taxation for the period (aggregation of current and deferred tax) decreased from HK\$369 million in 2008 to HK\$160 million, which was principally due to the reduction in deferred tax provision relating to lower revaluation gains on investment properties.

As at 30 June 2009, the **investment properties** of the Group were revalued at HK\$36,340 million (31 December 2008: HK\$35,850 million), by an independent professional valuer. Excluding the capital expenditure spent on the Group's investment properties, fair value gain on investment properties of HK\$397 million (2008: HK\$2,995 million) was recognised in the condensed consolidated income statement during the interim period.

Shareholders' funds, as at 30 June 2009, were HK\$32,153 million (31 December 2008: HK\$31,469 million).

Adjusted Shareholders' Funds, as at 30 June 2009, were HK\$35,404 million (31 December 2008: HK\$34,660 million).

Dividend

An interim dividend of HK14.0 cents per share (2008: HK14.0 cents) was announced. The dividend will be payable in cash with a scrip dividend alternative. The ex-dividend date will be 21 August 2009, dividend warrants and definitive share certificates in respect of the scrip dividend will be dispatched on or about 22 September 2009. The share register will be closed from 25 August 2009 to 27 August 2009, both dates inclusive.

Financial Management

Net interest coverage (defined as gross profit less administrative expenses before depreciation divided by net interest expenses) was 11.2 times for the first half of 2009 (2008: 10.0 times).

Net debt to equity (defined as borrowings less cash and cash equivalents divided by Adjusted Shareholders' Funds) as at 30 June 2009 was 5.8% (31 December 2008: 5.9%).

Total gross debt was HK\$4,233 million as at 30 June 2009 (31 December 2008: HK\$3,698 million).

Average debt maturity as at 30 June 2009 was about 3.4 years (31 December 2008: 3.9 years) (gross debt repayable in not exceeding one year: HK\$550 million; more than one year but not exceeding two years: HK\$1,050 million; more than two years but not exceeding five years: HK\$1,818 million; more than five years: HK\$815 million).

Floating rate debt was approximately 69.4 % of the total gross debt as at the period end (31 December 2008: 59.5%).

All Group's debts are unsecured and on a committed basis. To ensure sufficient liquidity for the Group's operations, the Group maintained undrawn committed facilities of HK\$2,250 million as at 30 June 2009 (31 December 2008: HK\$3,550 million).

Credit Ratings

Credit ratings, as at 30 June 2009 remained unchanged, being Baa1 from Moody's and BBB from Standard and Poor's.

COMMENT BY PETER T.C. LEE, CHAIRMAN

“There are some recent signs of the Hong Kong real economy stabilising. There may, however, be uncertainties on the path to a sustained recovery. We believe our performance will remain resilient for the rest of the year.”

“Hysan’s quality asset base and strong financial position provide solid foundations for its long term sustainable growth.”

Comments on Operations

Office Sector

Office sector revenue grew by 12.0% to HK\$384 million (2008: HK\$343 million¹). Occupancy as at 30 June 2009 was 91.4% (31 December 2008: 97.5%; 30 June 2008: 98.3%).

“Our growth in this sector reflected positive rental reversion on renewals,” said Mr. Lee. “Our achieved rentals across the portfolio remained relatively resilient throughout the first half of 2009.”

“However, during the review period, there was a further slowing down in the level of activities in core commercial districts when a substantial majority of our office leases due for renewal in 2009 occurred.”

“It should be noted that there are some recent signs of businesses being more willing to commit to leasing new accommodation. Our Causeway Bay portfolio, unmatched for its combination of prestige, convenience and cost effectiveness, is well positioned to serve such needs.”

Retail Sector

Retail sector revenue in the first half of 2009 increased by 4.5% to HK\$322 million (2008: HK\$308 million¹), taking into consideration the decline in turnover rents. Our retail portfolio’s occupancy as at 30 June 2009 was 98.4% (31 December 2008: 97.4%; 30 June 2008: 97.5%).

“The recent rally in local financial markets in the second quarter of 2009 helped improve sentiment, although overall local consumption and retail sales weakened during the first half of 2009,” said Mr. Lee.

Residential Sector

Residential sector revenue went up 3.6% to HK\$145 million (2008: HK\$140 million). Occupancy as at 30 June 2009 was 85.2% (31 December 2008: 89.6%; 30 June 2008: 91.0%).

“Demand for luxury residential properties from expatriates, especially from the financial sector, weakened considerably since the last quarter of 2008,” said Mr. Lee.

“However, we are seeing the level of rental activities improving in recent months.”

- ends -

¹ Prior period figures have been reclassified to conform to current period presentation.

This press release and other corporate information can also be found at: www.hysan.com.hk or www.irasia.com/listco/hk/hysan/index.htm

For enquiries, please contact:

Mark Tung
Head of Corporate Communications
Hysan Development Company Limited
Tel: (852) 2830 5154 Fax: (852) 2577 5219
E-mail: mark.tung@hysan.com.hk

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

	<u>Notes</u>	Six months ended 30 June	
		<u>2009</u>	<u>2008</u>
		HK\$ million	HK\$ million
		(unaudited)	(unaudited)
Turnover	4	851	791
Property expenses		<u>(95)</u>	<u>(98)</u>
Gross profit		756	693
Investment income		18	33
Other gains and losses		5	84
Administrative expenses		(63)	(62)
Finance costs		(71)	(74)
Change in fair value of investment properties		397	2,995
Share of results of associates		<u>257</u>	<u>339</u>
Profit before taxation		1,299	4,008
Taxation	6	<u>(160)</u>	<u>(369)</u>
Profit for the period	7	<u><u>1,139</u></u>	<u><u>3,639</u></u>
Attributable to:			
Owners of the Company		1,071	3,437
Minority interests		<u>68</u>	<u>202</u>
		<u><u>1,139</u></u>	<u><u>3,639</u></u>
Earnings per share (expressed in HK cents)			
Basic	8	<u><u>102.77</u></u>	<u><u>331.20</u></u>
Diluted	8	<u><u>102.75</u></u>	<u><u>331.16</u></u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	Six months ended 30 June	
	<u>2009</u>	<u>2008</u>
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)
Profit for the period	<u>1,139</u>	<u>3,639</u>
<i>Other comprehensive income</i>		
Change in fair value of available-for-sale investments	33	(657)
Surplus on revaluation of properties held for own use	1	3
Share of reserve of an associate	2	1
Exchange differences on translation of an overseas associate	-	1
Change in fair value of derivatives designated as cash flow hedge	5	12
Transfer to profit and loss on disposal of available-for sale investments	(3)	(46)
Transfer to profit and loss for cash flow hedges	<u>6</u>	<u>4</u>
Other comprehensive income (expense) for the period (net of tax)	<u>44</u>	<u>(682)</u>
Total comprehensive income for the period	<u>1,183</u>	<u>2,957</u>
Total comprehensive income attributable to:		
Owners of the Company	1,115	2,755
Minority interests	<u>68</u>	<u>202</u>
	<u>1,183</u>	<u>2,957</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2009

	<u>Notes</u>	<u>At 30 June</u> <u>2009</u> <i>HK\$ million</i> (unaudited)	At 31 December <u>2008</u> <i>HK\$ million</i> (audited)
Non-current assets			
Investment properties		36,340	35,850
Property, plant and equipment		77	80
Prepaid lease payments		121	123
Investments in associates		2,009	1,750
Available-for-sale investments		995	1,022
Other financial assets		103	242
Other receivables		31	29
		39,676	39,096
Current assets			
Accounts receivable and other receivables	10	85	94
Amount due from an associate		550	590
Other financial assets		131	41
Short-term investments		-	700
Time deposits		2,158	964
Cash and bank balances		12	51
		2,936	2,440
Current liabilities			
Accounts payable and accruals	11	250	320
Other financial liabilities		2	-
Rental deposits from tenants		139	158
Amounts due to minority shareholders		327	327
Borrowings		550	550
Taxation payable		247	351
		1,515	1,706
Net current assets		1,421	734
Total assets less current liabilities		41,097	39,830
Non-current liabilities			
Borrowings		3,682	3,201
Other financial liabilities		31	41
Rental deposits from tenants		247	230
Deferred taxation		3,720	3,648
		7,680	7,120
NET ASSETS		33,417	32,710
Capital and reserves			
Share capital		5,249	5,206
Reserves		26,904	26,263
Equity attributable to owners of the Company		32,153	31,469
Minority interests		1,264	1,241
TOTAL EQUITY		33,417	32,710

Notes:

1. Independent Review

The interim results for the six months ended 30 June 2009 are unaudited, but have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), by Deloitte Touche Tohmatsu, whose report on review of interim financial information is included in the interim report to be sent to shareholders. The interim results have also been reviewed by the Group's Audit Committee.

2. Basis of Preparation

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2009 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA.

3. Principal Accounting Policies

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

In the current interim period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2009.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) - Int 9 and HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation

The adoption of these new or revised standards, amendments and interpretations had no material effect on the results and financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2008.

HKFRS 8 – Operating Segments

HKFRS 8 is a disclosure Standard that has resulted in a disclosure of the Group's reportable segments (see note 5), but has had no impact on the reported results or financial position of the Group.

HKAS 1 (Revised) – Presentation of Financial Statements

HKAS 1 (Revised) has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (Revised) has had no impact on the reported results or financial position of the Group.

The Group has not early applied the following new or revised standards, amendments and interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HK(IFRIC) - Int 17	Distribution of Non-cash Assets to Owners ¹
HK(IFRIC) - Int 18	Transfers of Assets from Customers ⁴

¹ Effective for annual periods beginning on or after 1 July 2009.

² Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.

³ Effective for annual periods beginning on or after 1 January 2010.

⁴ Effective for transfers on or after 1 July 2009.

The Directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4. Turnover

Turnover represents gross rental income from investment properties and management fee income for the period.

The Group's principal activities are property investment, management and development. The Group currently does not have any active development project and its turnover and results are principally derived from investment properties located in Hong Kong.

5. Segment Information

The Group has adopted HKFRS 8 “Operating Segments” with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (HKAS 14 “Segment Reporting”) required an entity to identify two sets of segment (business and geographical), using a risks and rewards approach, with the entity’s system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

As the Group’s turnover and results are principally derived from investment properties located in Hong Kong, no business or geographical segment is presented in prior years. However, information reported to the Group’s management for the purpose of resource allocation and assessment of performance focuses on the type of usage of space (e.g. commercial, residential) within the Group’s properties portfolio. Each type of usage has different tenant base and requires different marketing strategies. The Group’s reportable segments under HKFRS 8 are therefore as follows:

Office segment – leasing of high quality office space and related facilities

Retail segment – leasing of space and related facilities to a variety of retail and leisure operators

Residential segment – leasing of luxury residential properties and related facilities

	<u>Office</u> <i>HK\$ million</i>	<u>Retail</u> <i>HK\$ million</i>	<u>Residential</u> <i>HK\$ million</i>	<u>Consolidated</u> <i>HK\$ million</i>
<i>For the six months ended 30 June 2009</i>				
Turnover				
Gross rental income from investment properties	327	290	131	748
Management fee income	57	32	14	103
	<u>384</u>	<u>322</u>	<u>145</u>	<u>851</u>
Property expenses	(48)	(28)	(19)	(95)
Segment profits	<u>336</u>	<u>294</u>	<u>126</u>	<u>756</u>
Investment income				18
Other gains and losses				5
Administrative expenses				(63)
Finance costs				(71)
Change in fair value of investment properties	268	134	(5)	397
Share of results of associates				257
Profit before taxation				<u>1,299</u>

	<u>Office</u> <i>HK\$ million</i>	<u>Retail</u> <i>HK\$ million</i>	<u>Residential</u> <i>HK\$ million</i>	<u>Consolidated</u> <i>HK\$ million</i>
<i>For the six months ended 30 June 2008</i>				
Turnover				
Gross rental income from investment properties	286	277	126	689
Management fee income	<u>57</u>	<u>31</u>	<u>14</u>	<u>102</u>
	343	308	140	791
Property expenses	<u>(48)</u>	<u>(28)</u>	<u>(22)</u>	<u>(98)</u>
Segment profits	<u><u>295</u></u>	<u><u>280</u></u>	<u><u>118</u></u>	<u><u>693</u></u>
Investment income				33
Other gains and losses				84
Administrative expenses				(62)
Finance costs				(74)
Change in fair value of investment properties	1,482	856	657	2,995
Share of results of associates				<u>339</u>
Profit before taxation				<u><u>4,008</u></u>

All of the segment revenue reported above is from external customers.

Segment profit represents the profit earned by each segment without allocation of investment income, central administration costs and directors' salaries, other gains and losses, finance costs, change in fair value of investment properties and share of results of associates. This is the measure reported to the Group's management for the purpose of resource allocation and assessment of segment performance.

The total assets of the Group as at the interim report date do not differ significantly since the latest annual report date.

6. Taxation

	Six months ended 30 June	
	<u>2009</u> <i>HK\$ million</i> (unaudited)	<u>2008</u> <i>HK\$ million</i> (unaudited)
Current tax		
Hong Kong profits tax		
- current year	88	75
- overprovision in prior years	-	(1)
- prior years' tax provision (<i>Note</i>)	-	31
	<hr/> 88 <hr/>	<hr/> 105 <hr/>
Deferred tax		
Change in fair value of investment properties	65	494
Other temporary differences	7	(7)
Attributable to change in tax rate	-	(223)
	<hr/> 72 <hr/>	<hr/> 264 <hr/>
	<hr/> 160 <hr/>	<hr/> 369 <hr/>

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for both periods.

Note:

As disclosed in the annual reports published in previous years, the Group has over the past few years been in dispute with the Hong Kong Inland Revenue Department (“IRD”) on interest deductions made in years of assessment dated back to 1995/96. Taking into consideration professional advice and recent development, a formal proposal (the “Settlement Proposal”) was submitted to IRD at the end of December 2008 to settle the claims at HK\$450 million, inclusive of tax principal, interest and all amounts payable. Full provision for such estimated exposure has been made at 31 December 2008.

During the interim period, IRD has issued notices of additional assessment to the Group in accordance with the Settlement Proposal. Up to the date of approval of these condensed consolidated financial statements, HK\$382 million out of the total claim amount has been paid (by cash payment of HK\$200 million and tax reserve certificates of HK\$182 million already purchased in prior years). The Group expects to pay all outstanding amounts before the end of 2009.

7. Profit For The Period

	Six months ended 30 June	
	<u>2009</u>	<u>2008</u>
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	<u>3</u>	<u>3</u>
Dividends from		
- listed investments	(14)	(26)
- unlisted investments	-	(1)
	<u>(14)</u>	<u>(27)</u>
Gross rental income from investment properties	(748)	(689)
Less:		
- Direct operating expenses arising from properties that generated rental income	93	96
- Direct operating expenses arising from properties that did not generate rental income	2	2
	<u>(653)</u>	<u>(591)</u>
Interest income	<u>(3)</u>	<u>(6)</u>
Staff costs, comprising:		
- Directors' emoluments	9	9
- Share-based payments	1	1
- Other staff costs	67	58
	<u>77</u>	<u>68</u>
Share of income tax of an associate (included in share of results of associates)	<u>91</u>	<u>120</u>

8. Earnings per share

(a) Basic and diluted earnings per share

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Earnings	
	Six months ended 30 June	
	<u>2009</u>	<u>2008</u>
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the period attributable to owners of the Company	<u>1,071</u>	<u>3,437</u>
	Number of shares	
	Six months ended 30 June	
	<u>2009</u>	<u>2008</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,042,168,634	1,037,748,046
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	<u>200,592</u>	<u>130,317</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,042,369,226</u>	<u>1,037,878,363</u>

The computation of diluted earnings per share does not assume the exercise of certain of the Company's outstanding share options as the exercise prices are higher than the average market price per share.

(b) Adjusted basic earnings per share

For the purpose of assessing the performance of the Group's principal activities (i.e. leasing of investment properties), the management is of the view that the profit for the period attributable to the owners of the Company should be adjusted in the calculation of basic earnings per share as follows:

	Six months ended 30 June			
	2009		2008	
	<u>Profit</u>	<u>Basic earnings per share</u>	<u>Profit</u>	<u>Basic earnings per share</u>
	<i>HK\$ million</i>	<i>HK cents</i>	<i>HK\$ million</i>	<i>HK cents</i>
Profit for the period attributable to owners of the Company	1,071	102.77	3,437	331.20
Change in fair value of investment properties	(397)		(2,995)	
Effect of deferred taxation on change in fair value of investment properties	65		286	
Effect of minority interests' shares	29		162	
Share of change in fair value of investment properties (net of deferred taxation) of an associate	(185)		(272)	
Underlying profit attributable to owners of the Company	583	55.94	618	59.55
Prior years' tax provision	-		31	
Net realised gain on disposal of available-for-sale investments	(3)		(44)	
Recurring underlying profit	580	55.65	605	58.30

The denominators used are the same as those detailed above for basic earnings per share.

9. Dividends

(a) Dividends recognised as distribution during the period:

	Six months ended 30 June	
	<u>2009</u>	<u>2008</u>
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)
2008 Final dividend paid – HK54 cents per share	562	-
2007 Final dividend paid – HK48 cents per share	-	498
	562	498

Scrip dividend alternatives were offered to the shareholders in respect of the above dividends. These alternatives were accepted by the shareholders as follows:

	Six months ended 30 June	
	<u>2009</u>	<u>2008</u>
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)
2008 final dividend (2007 final dividend):		
Cash payment	434	428
Share alternative	128	70
	562	498

(b) Dividend declared after the reporting date:

	Six months ended 30 June	
	<u>2009</u>	<u>2008</u>
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)
Interim dividend declared – HK14 cents per share (2008: HK14 cents per share)	147	146

The above interim dividends were declared after the reporting dates and have not been recognised as liabilities at the respective reporting dates.

The declared 2009 interim dividend will be payable in cash with a scrip dividend alternative.

10. Accounts Receivable

Rents from leasing of investment properties are normally received in advance. As at 30 June 2009, accounts receivable of the Group with carrying amount of HK\$9 million (31 December 2008: HK\$10 million) mainly represented rents receipts in arrears, which were aged less than 90 days.

11. Accounts Payable

As at 30 June 2009, accounts payable of the Group with carrying amount of HK\$77 million (31 December 2008: HK\$90 million) were aged less than 90 days.