

To: Business/Property Editor

Date: 8 March 2016
For immediate release**HYSAN DEVELOPMENT COMPANY LIMITED
2015 ANNUAL RESULTS****HIGHLIGHTS**

- Turnover up 6.4% year-on-year; Recurring Underlying Profit up 5.5%
- Strong office and solid retail performances
- Challenging conditions to remain both globally and in Hong Kong, but Hysan is expected to deliver steady performance in 2016

RESULTS

		Year ended 31 December		
		2015	2014	
	<i>Notes</i>	HK\$ million	HK\$ million	Change
Turnover	1	3,430	3,224	+6.4%
Recurring Underlying Profit	2	2,283	2,163	+5.5%
Underlying Profit	3	2,283	2,163	+5.5%
Reported Profit	4	2,903	4,902	-40.8%
		HK cents	HK cents	
Earnings per share, based on:				
Recurring Underlying Profit	2	214.83	203.34	+5.7%
Underlying Profit	3	214.83	203.34	+5.7%
Reported Profit	4	273.17	460.82	-40.7%
Full-year dividends per share		132.00	123.00	+7.3%
		At 31 December		
		2015	2014	
		HK\$ million	HK\$ million	
Shareholders' Funds	5	68,172	67,040	+1.7%
		HK\$	HK\$	
Net Asset Value per Share	6	64.48	63.02	+2.3%

Notes:

1. **Turnover** comprises rental income and management fee income derived from the Group's investment property portfolio in Hong Kong.
2. **Recurring Underlying Profit** is a performance indicator of the Group's core property investment business and is arrived at by excluding from Underlying Profit items that are non-recurring in nature (such as gains or losses on disposal of long-term assets).
3. **Underlying Profit** is arrived at by excluding from Reported Profit unrealised fair value changes on investment properties. 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 changes on investment properties in the consolidated income statement causes an increase in fluctuation in earnings and poses limitations on the use of the unadjusted earning figures, financial ratios, trends and comparison against prior period(s). Accordingly, unrealised fair value changes on investment properties are excluded in arriving at the Underlying Profit.
4. **Reported Profit** 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.
5. **Shareholders' Funds** is the equity attributable to owners of the Company.
6. **Net Asset Value per Share** represents Shareholders' Funds divided by the number of issued shares at year-end.

HYSAN DEVELOPMENT 2015 TURNOVER UP 6.4% TO HK\$3,430 MILLION

Results

Hysan Development Company Limited (Stock Code: 00014) today (8 March 2016) announced the Group's turnover was HK\$3,430 million in 2015, representing a year-on-year increase of 6.4% from HK\$3,224 million in 2014. The increase principally reflected higher average occupancy during the year and positive rental reversion.

Recurring Underlying Profit, the key measurement of our core leasing business performance, was up 5.5% to HK\$2,283 million (2014: HK\$2,163 million). This primarily reflected the continued improvement in gross profit generated from the Group's retail and office leasing activities. The **Underlying Profit** was also HK\$2,283 million (2014: HK\$2,163 million).

The Group's **Reported Profit** for 2015 was HK\$2,903 million (2014: HK\$4,902 million), a 40.8% decrease from the year before, principally reflecting a smaller fair value gain on the Group's investment properties valuation recorded in 2015. As at 31 December 2015, the external valuation of the Group's investment property portfolio increased by 1.6% to HK\$69,810 million (2014: HK\$68,735 million), partly reflecting improved rental rates for the Group's office investment property portfolio.

Shareholders' Funds rose by 1.7% to HK\$68,172 million (2014: HK\$67,040 million).

Dividends

A second interim dividend of HK107 cents per share (2014: HK100 cents) was announced. The dividend will be payable in cash. Together with the first interim dividend of HK25 cents per share (2014: HK23 cents), there is an aggregate distribution of HK132 cents per share (2014: HK123 cents). Please see the table for all the relevant dates:

Closure of register of members	Wednesday, 23 March 2016
Ex-dividend date	Monday, 21 March 2016
Latest time to lodge transfer documents	4pm on Tuesday, 22 March 2016
Record date for second interim	Wednesday, 23 March 2016
Second interim dividend payment date	On or about Wednesday 6 April 2016

Financial Management

Hysan adhered to a policy of financial prudence and maintained a strong financial position.

Low Gearing

- Total Gross Debt: HK\$4,875 million (31 Dec 2014: HK\$6,457 million)
- Net Debt to Equity: 3.0% (31 Dec 2014: 4.2%)

Stable Debt Profile

- Fixed Rate Debt: 94.9% of the total gross debt (31 Dec 2014: 76.3% of the total gross debt)
- Average Debt Maturity: 6.3 years (31 Dec 2014: 5.6 years)
- Capital Market Issuance: 94.9% (31 Dec 2014: 83.0%)
- Average Cost of Finance: 3.5% (2014: 3.2%)

Strong Credit Rating

- Net Interest Coverage: 19.5 times (2014: 17.1 times)
- Moody's: A3; Standard and Poor's: BBB+

COMMENTS BY MS. IRENE YUN LIEN LEE, CHAIRMAN

Overview

“We anticipated a challenging 2015 but the year turned out to be far more volatile and difficult than expected,” said Ms. Lee. “Crashing oil prices and a noticeably slowing Chinese economy together with alarming worldwide geopolitical issues were only some of the dark clouds that gathered. In a local context, the decline in retail sales, especially in the luxury sector, gathered pace. Although largely expected in a climate of adjustment, there were a number of structural changes that affected spending patterns and shopper mix.”

“Not unexpectedly, Hysan also witnessed slower sales in the luxury sector. Since we anticipated that the market would normalise after strong growth during the past decade, we committed to a strategy of diversification by pivoting our portfolio towards the mid to affordable market and we leveraged on our leading position in children's offerings and in sport and life style products. Our well balanced and diversified portfolio forms the platform for our retail strategy and will position Hysan well to meet the challenges ahead.”

“Food and beverage (F&B) is an increasingly vital and integral part of retailing. Hysan ensures a flow of new concepts which appeal to consumers' increasing sophistication and demands for all things original and exciting. Our F&B offering covers a range of price points which attracts casual, chic, professional and business diners as well as family gatherings.”

“We continued to devote significant resources to stage unique promotional activities and programmes to increase foot traffic. We have also further enhanced our customer service on all fronts. We clearly understand that a commercial property owner's attention should not end with its tenants, but also focus on those who frequent its shops.”

“Our clustering in the prime commercial district of Causeway Bay is a unique advantage. This geographic concentration in one area powers and magnifies the effects of our diverse tenant mix, our varied F&B offering, our significant number of flagship stores, our popular promotional activities and our consistent and renowned customer service. We intend to maintain a holistic approach to our portfolio in order to deliver a brand with a quality and experience which is unique to Lee Gardens.”

“In 2015, our office portfolio continued to benefit from the significant demand for premium office space by financial and related industries in Hong Kong. We provide a strong alternative to core central areas because of our excellent facilities, amenities and transport ties. Moreover, our office portfolio maintains a significant edge in cost effectiveness as compared to areas like Central and Admiralty.”

Outlook

“As the world’s most visited city, we are confident that Hong Kong will remain relevant and vital, in its own right and as a part of an increasingly outward looking China,” said Ms. Lee. “2016 will see continued adjustments, particularly in the high end retail sector, while volatility in the currency and equity markets and a slower China growth will contribute to a challenging year.”

“Hysan prides itself on a deep understanding of and commitment to Hong Kong, especially the commercial heart of Causeway Bay. It is important to recognise the resilience that our diversified and balanced portfolio and our balance sheet strength provide. We are confident that Hysan is uniquely placed to capture opportunities as Hong Kong benefits from the continuing development of China. We anticipate our Group will deliver another year of steady performance.”

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For enquiries, please contact:

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CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

	<u>Notes</u>	<u>2015</u> <i>HK\$ million</i>	<u>2014</u> <i>HK\$ million</i>
Turnover	3	3,430	3,224
Property expenses		(414)	(404)
Gross profit		3,016	2,820
Investment income		54	68
Other gains and losses		-	(2)
Administrative expenses		(234)	(214)
Finance costs		(204)	(228)
Change in fair value of investment properties		695	2,940
Share of results of associates		246	252
Profit before taxation		3,573	5,636
Taxation	5	(438)	(386)
Profit for the year	6	3,135	5,250
Profit for the year attributable to:			
Owners of the Company		2,903	4,902
Non-controlling interests		232	348
		3,135	5,250
Earnings per share (expressed in HK cents)	7		
Basic		273.17	460.82
Diluted		273.12	460.69

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	<u>Note</u>	<u>2015</u> <i>HK\$ million</i>	<u>2014</u> <i>HK\$ million</i>
Profit for the year		<u>3,135</u>	<u>5,250</u>
Other comprehensive (expense) income	8		
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value change of equity investments		36	-
Gains on revaluation of properties held for own use		<u>9</u>	<u>16</u>
		45	16
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net adjustments to hedging reserve		(40)	51
Share of translation reserve of an associate		<u>(240)</u>	<u>(16)</u>
		(280)	35
Other comprehensive (expense) income for the year (net of tax)		<u>(235)</u>	<u>51</u>
Total comprehensive income for the year		<u>2,900</u>	<u>5,301</u>
Total comprehensive income attributable to:			
Owners of the Company		2,668	4,953
Non-controlling interests		<u>232</u>	<u>348</u>
		<u>2,900</u>	<u>5,301</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	<u>Notes</u>	<u>2015</u> <i>HK\$ million</i>	<u>2014</u> <i>HK\$ million</i>
Non-current assets			
Investment properties		69,810	68,735
Property, plant and equipment		705	710
Investments in associates		3,683	4,154
Term notes		935	720
Other financial assets		7	3
Other receivables	10	227	226
		<u>75,367</u>	<u>74,548</u>
Current assets			
Accounts and other receivables	10	201	255
Principal-protected investments		-	80
Term notes		415	485
Other financial assets		1	15
Time deposits		2,743	3,534
Cash and bank balances		61	106
		<u>3,421</u>	<u>4,475</u>
Current liabilities			
Accounts payable and accruals	11	470	481
Rental deposits from tenants		296	306
Amounts due to non-controlling interests		327	327
Borrowings		250	1,589
Other financial liabilities		-	2
Taxation payable		120	104
		<u>1,463</u>	<u>2,809</u>
Net current assets		<u>1,958</u>	<u>1,666</u>
Total assets less current liabilities		<u>77,325</u>	<u>76,214</u>
Non-current liabilities			
Borrowings		4,609	4,858
Other financial liabilities		71	30
Rental deposits from tenants		594	569
Deferred taxation		683	628
		<u>5,957</u>	<u>6,085</u>
Net assets		<u>71,368</u>	<u>70,129</u>
Capital and reserves			
Share capital		7,642	7,640
Reserves		60,530	59,400
Equity attributable to owners of the Company		<u>68,172</u>	<u>67,040</u>
Non-controlling interests		<u>3,196</u>	<u>3,089</u>
Total equity		<u>71,368</u>	<u>70,129</u>

Notes:

1. Basis of Preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and by the Hong Kong Companies Ordinance.

2. Principal Accounting Policies

The principal accounting policies adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

In the current year, the Group has applied all of the Amendments to Standards issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for the Group’s financial year beginning on 1 January 2015. The adoption of these Amendments to Standards had no material effect on the results and financial position of the Group for the current and/or prior accounting years.

The Group has not early applied the following new Standards and Amendments to Standards that have been issued but are not yet effective.

HKFRS 9	Financial Instruments ³
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ¹
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to HKAS 1	Disclosure Initiative ¹
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ¹

¹ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2018, except for the 2010 version of HKFRS 9 and the new requirements for hedge accounting issued in 2013, which the Group early adopted.

⁴ Effective for annual periods beginning on or after a date to be determined.

Amendments to HKAS 1 Disclosure Initiative

The amendments to Hong Kong Accounting Standard (“HKAS”) 1 “Presentation of Financial Statements” give some guidance on how to apply the concept of materiality in practice.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2016. The Directors of the Company do not anticipate that the application of these amendments to HKAS 1 will have a material impact on the amounts recognised or the presentation and disclosure in the Group’s consolidated financial statements.

Other than as described above, the Directors of the Company anticipate that the application of these new Standards and Amendments to Standards will have no material impact on the results and financial position of the Group.

3. Turnover

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

The Group's principal activities are property investment, management and development, and its turnover and results are principally derived from investment properties located in Hong Kong.

4. Segment Information

Based on the internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. Chief Executive Officer of the Group) in order to allocate resources to segments and to assess their performance, the Group's operating and reportable segments are as follows:

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

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

Residential segment – leasing of luxury residential properties and related facilities

Segment turnover and results

The following is an analysis of the Group's turnover and results by operating and reportable segment.

	<u>Retail</u> <i>HK\$ million</i>	<u>Office</u> <i>HK\$ million</i>	<u>Residential</u> <i>HK\$ million</i>	<u>Consolidated</u> <i>HK\$ million</i>
For the year ended 31 December 2015				
Turnover				
Gross rental income from investment properties	1,767	1,096	254	3,117
Management fee income	135	147	31	313
Segment revenue	1,902	1,243	285	3,430
Property expenses	(239)	(124)	(51)	(414)
Segment profit	1,663	1,119	234	3,016
Investment income				54
Administrative expenses				(234)
Finance costs				(204)
Change in fair value of investment properties				695
Share of results of associates				246
Profit before taxation				3,573

	<u>Retail</u> <i>HK\$ million</i>	<u>Office</u> <i>HK\$ million</i>	<u>Residential</u> <i>HK\$ million</i>	<u>Consolidated</u> <i>HK\$ million</i>
For the year ended 31 December 2014				
Turnover				
Gross rental income from investment properties	1,674	1,002	257	2,933
Management fee income	127	134	30	291
	<hr/>	<hr/>	<hr/>	<hr/>
Segment revenue	1,801	1,136	287	3,224
Property expenses	(226)	(118)	(60)	(404)
	<hr/>	<hr/>	<hr/>	<hr/>
Segment profit	1,575	1,018	227	2,820
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	
Investment income				68
Other gains and losses				(2)
Administrative expenses				(214)
Finance costs				(228)
Change in fair value of investment properties				2,940
Share of results of associates				252
				<hr/>
Profit before taxation				5,636
				<hr/> <hr/>

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

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

Segment assets

The following is an analysis of the Group's assets by operating and reportable segment.

	<u>Retail</u> <i>HK\$ million</i>	<u>Office</u> <i>HK\$ million</i>	<u>Residential</u> <i>HK\$ million</i>	<u>Consolidated</u> <i>HK\$ million</i>
As at 31 December 2015				
Segment assets	34,340	23,111	7,730	65,181
Investment properties under redevelopment				4,637
Investments in associates				3,683
Other assets				5,287
				<hr/>
Consolidated assets				78,788
				<hr/> <hr/>
As at 31 December 2014				
Segment assets	34,315	22,685	7,718	64,718
Investment properties under redevelopment				4,020
Investments in associates				4,154
Other assets				6,131
				<hr/>
Consolidated assets				79,023
				<hr/> <hr/>

Segment assets represented the investment properties and accounts receivable of each segment without allocation of investment properties under redevelopment, property, plant and equipment, investments in associates, principal-protected investments, term notes, other financial assets, other receivables, time deposits, cash and bank balances. This is the measure reported to the Chief Executive Officer of the Group for the purpose of monitoring segment performances and allocating resources between segments. The investment properties are included in segment assets at their fair values whilst the change in fair value of investment properties is not included in segment profit. No segment liabilities analysis is presented as the Group's management monitors and manages all the liabilities on a group basis.

Other than the investments in associates, which operated in the People's Republic of China (the "PRC") with carrying amounts of HK\$3,683 million (2014: HK\$4,154 million), all the Group's assets are located in Hong Kong.

Other segment information

	<u>Retail</u> <i>HK\$ million</i>	<u>Office</u> <i>HK\$ million</i>	<u>Residential</u> <i>HK\$ million</i>	<u>Consolidated</u> <i>HK\$ million</i>
For the year ended 31 December 2015				
Additions to non-current assets	99	57	11	167
Additions to investment properties under redevelopment				<u>213</u>
				<u><u>380</u></u>
For the year ended 31 December 2014				
Additions to non-current assets	315	68	4	387
Additions to investment properties under redevelopment				<u>166</u>
				<u><u>553</u></u>

5. Taxation

	<u>2015</u> <i>HK\$ million</i>	<u>2014</u> <i>HK\$ million</i>
Current tax		
Hong Kong profits tax		
- current year	382	323
- underprovision (overprovision) in prior years	<u>2</u>	<u>(3)</u>
	384	320
Deferred tax	<u>54</u>	<u>66</u>
	<u><u>438</u></u>	<u><u>386</u></u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

6. Profit For The Year

	<u>2015</u> <i>HK\$ million</i>	<u>2014</u> <i>HK\$ million</i>
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	<u>3</u>	<u>3</u>
Depreciation of property, plant and equipment	<u>21</u>	<u>17</u>
Gross rental income from investment properties including contingent rentals of HK\$71 million (2014: HK\$93 million)	(3,117)	(2,933)
Less:		
- Direct operating expenses arising from properties that generated rental income	403	399
- Direct operating expenses arising from properties that did not generate rental income	<u>11</u>	<u>5</u>
	<u>(2,703)</u>	<u>(2,529)</u>
Staff costs, comprising:		
- Directors' emoluments	38	35
- Share-based payments	3	4
- Other staff costs	<u>239</u>	<u>224</u>
	<u>280</u>	<u>263</u>
Share of income tax of an associate (included in share of results of associates)	<u>104</u>	<u>106</u>

7. 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:

	<u>Earnings</u>	
	<u>2015</u> <i>HK\$ million</i>	<u>2014</u> <i>HK\$ million</i>
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company	<u>2,903</u>	<u>4,902</u>

	<u>Number of shares</u>	
	<u>2015</u>	<u>2014</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,062,690,556	1,063,758,157
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	<u>216,828</u>	<u>298,254</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,062,907,384</u>	<u>1,064,056,411</u>

In both years, 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 of those options are higher than the average market price for shares.

(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 year attributable to the owners of the Company should be adjusted in the calculation of basic earnings per share as follows:

	<u>2015</u>		<u>2014</u>	
	Basic earnings per share		Basic earnings per share	
	<u>Profit</u>	<u>share</u>	<u>Profit</u>	<u>share</u>
	<i>HK\$ million</i>	<i>HK cents</i>	<i>HK\$ million</i>	<i>HK cents</i>
Profit for the year attributable to owners of the Company	2,903	273.17	4,902	460.82
Change in fair value of investment properties	(695)	(65.40)	(2,940)	(276.38)
Effect of non-controlling interests' shares	79	7.43	208	19.55
Share of change in fair value of investment properties (net of deferred taxation) of an associate	<u>(4)</u>	<u>(0.37)</u>	<u>(7)</u>	<u>(0.65)</u>
Underlying Profit	<u>2,283</u>	<u>214.83</u>	<u>2,163</u>	<u>203.34</u>
Recurring Underlying Profit	<u>2,283</u>	<u>214.83</u>	<u>2,163</u>	<u>203.34</u>

Notes:

- (1) Recurring Underlying Profit is arrived at by excluding from Underlying Profit items that are non-recurring in nature (such as gains or losses on disposal of long-term assets). As there were no such adjustments in both years, the Recurring Underlying Profit is the same as the Underlying Profit.
- (2) The denominators in calculating the adjusted earnings per share used are the same as those detailed above for basic earnings per share.

8. Other Comprehensive Income

	<u>2015</u> <i>HK\$ million</i>	<u>2014</u> <i>HK\$ million</i>
Other comprehensive (expense) income comprises:		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value change of equity investments	<u>36</u>	<u>-</u>
Revaluation of properties held for own use:		
Gains on revaluation of properties held for own use	10	19
Deferred taxation arising on revaluation	<u>(1)</u>	<u>(3)</u>
	<u>9</u>	<u>16</u>
	<u>45</u>	<u>16</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Derivatives designated as cash flow hedges:		
Net (losses) gains arising during the year	(39)	95
Reclassification adjustments for net gains included in profit or loss	<u>(3)</u>	<u>(51)</u>
	<u>(42)</u>	44
Amortisation of forward element excluded from hedge designation	<u>2</u>	<u>7</u>
	<u>(40)</u>	51
Share of translation reserve of an associate	<u>(240)</u>	<u>(16)</u>
	<u>(280)</u>	<u>35</u>
Other comprehensive (expense) income for the year (net of tax)	<u>(235)</u>	<u>51</u>

9. Dividends

(a) Dividends recognised as distribution during the year:

	<u>2015</u> <i>HK\$ million</i>	<u>2014</u> <i>HK\$ million</i>
2015 first interim dividend paid – HK25 cents per share	266	-
2014 first interim dividend paid – HK23 cents per share	-	245
2014 second interim dividend paid – HK100 cents per share	1,064	-
2013 second interim dividend paid – HK95 cents per share	<u>-</u>	<u>1,010</u>
	<u>1,330</u>	<u>1,255</u>

(b) Dividends declared after the end of the reporting period:

	<u>2015</u> <i>HK\$ million</i>	<u>2014</u> <i>HK\$ million</i>
Second interim dividend (in lieu of a final dividend)		
- HK107 cents per share (2014: HK100 cents per share)	<u>1,122</u>	<u>1,064</u>

The second interim dividend is not recognised as a liability as at 31 December 2015 because it has been declared after the end of the reporting period. Such dividend will be accounted for as an appropriation of the retained profits in the year ending 31 December 2016.

The declared second interim dividend will be payable in cash.

10. Accounts and Other Receivables

	<u>2015</u> <i>HK\$ million</i>	<u>2014</u> <i>HK\$ million</i>
Accounts receivable	8	3
Interest receivable	59	93
Prepayments in respect of investment properties	121	71
Other receivables and prepayments	<u>240</u>	<u>314</u>
Total	<u>428</u>	<u>481</u>
Analysed for reporting purposes as:		
Current assets	201	255
Non-current assets	<u>227</u>	<u>226</u>
	<u>428</u>	<u>481</u>

Rents from leasing of investment properties are normally received in advance. At the end of the reporting period, accounts receivable of the Group with carrying amount of HK\$8 million (2014: HK\$3 million) mainly represented rents receipts in arrears, which were aged less than 90 days.

At the end of the reporting period, none of the accounts receivable was past due but not impaired.

11. Accounts Payable and Accruals

	<u>2015</u> <i>HK\$ million</i>	<u>2014</u> <i>HK\$ million</i>
Accounts payable	222	173
Interest payable	73	83
Other payables	<u>175</u>	<u>225</u>
	<u>470</u>	<u>481</u>

At the end of the reporting period, accounts payable of the Group with carrying amount of HK\$176 million (2014: HK\$173 million) were aged less than 90 days.