

NEWS RELEASE

To: Business Editor

6th August 2009

For immediate release

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

**HONGKONG LAND HOLDINGS LIMITED
 HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2009**
Highlights

- Underlying earnings up 16% to US\$281 million
- Adjusted net assets per share down 5% to US\$5.64
- Interim dividend per share unchanged

“While residential property markets have shown some recent signs of recovery, commercial property conditions are expected to remain challenging for the remainder of 2009. Nevertheless, the Group continues to enjoy reversionary increases in rental income and profits for the full year will also benefit from the timing of residential completions and the absence of the provisions seen in 2008.”

Simon Keswick, *Chairman*
 6th August 2009

Results

	(unaudited) Six months ended 30th June		Change %
	2009 US\$m	2008 US\$m	
Underlying profit attributable to shareholders [#]	281	242	+16
(Loss)/profit attributable to shareholders	(402)	1,629	n/m
Shareholders' funds	10,816	11,313*	-4
Adjusted shareholders' funds [†]	12,690	13,308*	-5
Net debt	2,552	2,601*	-2
	US¢	US¢	%
Underlying earnings per share	12.47	10.53	+18
(Loss)/earnings per share	(17.89)	70.95	n/m
Interim dividend per share	6.00	6.00	-
	US\$	US\$	%
Net asset value per share	4.81	5.03*	-4
Adjusted net asset value per share [†]	5.64	5.92*	-5

* At 31st December 2008

[#] The Group uses 'underlying business performance' in its internal financial reporting to distinguish between the underlying profits and non-trading items, as more fully described in note 7 to the condensed financial statements. Management considers this to be a key measure and has provided this analysis as additional information in order to provide greater understanding of the Group's underlying business performance.

[†] In preparing the Group's financial statements under International Financial Reporting Standards ('IFRS'), the fair value model for investment properties has been adopted. In accordance with this model, the Group's leasehold investment properties have been included at their open market value as determined by independent valuers. In the territories where the Group has significant leasehold investment properties, no capital gains tax would be payable on the sale of these properties. In relation to leasehold investment properties, however, IFRS require deferred tax on any revaluation amount to be calculated using income tax rates. This is in contrast to the treatment for the revaluation element of freehold properties where IFRS require capital gains tax rates to be used.

As Management considers that the Group's long leasehold investment properties have very similar characteristics to freehold property, the adjusted shareholders' funds and adjusted net asset value per share information is presented on the basis that would be applicable if the leasehold properties were freeholds. The adjustments made add back the deferred tax provided in the financial statements that would not be payable if the properties were sold. See note 10 to the condensed financial statements.

The interim dividend of US\$6.00 per share will be payable on 21st October 2009 to shareholders on the register of members at the close of business on 28th August 2009. The ex-dividend date will be on 26th August 2009, and the share registers will be closed from 31st August to 4th September 2009, inclusive.

- more -

Issued by: **Hongkong Land Limited**

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HONGKONG LAND HOLDINGS LIMITED

HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2009

OVERVIEW

Hongkong Land continued to see reversionary increases in rental income in the first half of 2009, despite weaker commercial property markets in both Hong Kong and Singapore. The residential sector has seen some recent improvement in sentiment in most of the markets where the Group is active.

PERFORMANCE

Higher net rental income in the first half of the year produced an underlying profit of US\$281 million, up 16%. Underlying earnings per share rose 18% to US¢12.47.

An independent valuation of the Group's commercial investment properties at the end of June 2009, including the Group's share of properties in joint ventures, produced an 8% decrease, the decline being most marked in Singapore where values fell by 28%. The resultant net deficit charged to the profit and loss account was US\$923 million. Against that, there was a net gain of US\$241 million in respect of investment properties under development, which accounting standards require to be revalued for the first time. After these adjustments, a loss attributable to shareholders of US\$402 million was recorded for the half year, compared with a profit of US\$1,629 million in 2008.

The Directors have declared an interim dividend of US¢6.00 per share, unchanged from 2008.

GROUP REVIEW

Hong Kong

The challenges facing the financial services sector led to lower demand for office space in Hong Kong and resulted in reduced occupancy during the first half of 2009. Vacancy in the Group's office portfolio was 5.5% at the end of June. The Group's retail portfolio in Central remains fully leased.

The Group recorded rental income from its commercial properties of US\$316 million in the first half of 2009, compared with US\$251 million for the same period in 2008, as it continued to experience positive rental reversions despite the weakening market.

Construction is progressing well at the Group's two residential development projects, The Sail at Victoria and Serenade in Tai Hang Road, which are scheduled for completion later this year and in 2010, respectively. The sales launch of The Sail at Victoria met with an encouraging response with 79% of the 95 apartments in the development pre-sold at the end of June.

Singapore

Despite reduced activity in the Singapore property markets, One Raffles Link, which is wholly owned, and One Raffles Quay, in which Hongkong Land holds a one-third interest, both remain fully let. Construction at Marina Bay Financial Centre, in which Hongkong Land also holds a one-third interest, is continuing on schedule for a two-phased completion in 2010 and 2012. Over 60% of the office space in the two phases remains pre-leased at the end of June 2009. The residential tower in the first phase of Marina Bay Financial Centre is fully pre-sold and on schedule for completion in 2010.

MCL Land's result for the first half of the year included the completion of two projects in Singapore, The Fernhill and Tierra Vue. MCL Land's full-year result for 2009 should also benefit from the completion of Hillcrest Villa in Singapore in the second half of the year.

Mainland China

At Bamboo Grove, a 50%-owned joint venture development in Chongqing, construction of Phase 2 continues on track for completion this year with some 87% being pre-sold at the end of June. The first 20% of the units were handed over to buyers in June, while the remainder will be handed over towards the end of the year. There was a good response to the sales launch of Phase 3 during the first half. Sales of shop units at the Group's 40%-owned Central Park development in Beijing also contributed to earnings in the first half of the year. Site planning at the Group's 30%-owned development in Shenyang is continuing following the completion of Phase 1 of the project in 2008.

Macau

The residential and retail elements of One Central Macau, in which the Group has a 47% interest, remain on schedule for completion in the second half of this year. The hotel and serviced apartments are expected to be ready in 2010. The joint venture recently agreed to the cancellation of an agreement entered into in 2006 for the sale of all 68 apartments in Tower 4, in return for which a fee was received. The joint venture is confident that an enhanced return can be achieved on the resale of these apartments in the future.

FINANCE

Net debt at 30th June 2009 was US\$2.6 billion. Although global credit markets remain tight, there have been some recent signs of conditions easing. The Group's liquidity continues to be strong with US\$2.3 billion of cash on deposit and undrawn committed facilities in place at the end of June. The Group established a medium term note programme during the period under review to broaden its future access to debt capital markets.

PEOPLE

James Watkins joined the Board in May 2009.

OUTLOOK

While residential property markets have shown some recent signs of recovery, commercial property conditions are expected to remain challenging for the remainder of 2009. Nevertheless, the Group continues to enjoy reversionary increases in rental income and profits for the full year will also benefit from the timing of residential completions and the absence of the provisions seen in 2008.

Simon Keswick

Chairman

6th August 2009

Hongkong Land Holdings Limited
Consolidated Profit and Loss Account

	(unaudited)						Year ended 31st December		
	2009			2008			2008		
	Six months ended 30th June			Six months ended 30th June			Year ended 31st December		
	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 (<i>note 2</i>)	521.5	-	521.5	319.2	-	319.2	1,022.3	-	1,022.3
Cost of sales	(153.1)	-	(153.1)	(50.9)	-	(50.9)	(574.3)	-	(574.3)
Gross profit	368.4	-	368.4	268.3	-	268.3	448.0	-	448.0
Other income	0.3	-	0.3	0.4	-	0.4	0.8	-	0.8
Administrative and other expenses	(31.8)	-	(31.8)	(23.3)	-	(23.3)	(53.0)	-	(53.0)
	336.9	-	336.9	245.4	-	245.4	395.8	-	395.8
(Decrease)/increase in fair value of investment properties	-	(885.2)	(885.2)	-	1,406.5	1,406.5	-	(698.9)	(698.9)
Asset impairment provisions, reversals and disposals	-	0.4	0.4	-	0.2	0.2	-	1.8	1.8
Operating (loss)/profit (<i>note 3</i>)	336.9	(884.8)	(547.9)	245.4	1,406.7	1,652.1	395.8	(697.1)	(301.3)
Financing charges	(52.3)	-	(52.3)	(60.3)	-	(60.3)	(116.3)	-	(116.3)
Financing income	26.6	-	26.6	38.7	-	38.7	71.8	-	71.8
Net financing charges	(25.7)	-	(25.7)	(21.6)	-	(21.6)	(44.5)	-	(44.5)
Share of results of joint ventures (<i>note 4</i>)	28.1	61.7	89.8	51.1	94.9	146.0	81.3	(16.4)	64.9
(Loss)/profit before tax	339.3	(823.1)	(483.8)	274.9	1,501.6	1,776.5	432.6	(713.5)	(280.9)
Tax (<i>note 5</i>)	(49.3)	145.0	95.7	(31.1)	(113.8)	(144.9)	(81.1)	228.6	147.5
(Loss)/profit after tax	290.0	(678.1)	(388.1)	243.8	1,387.8	1,631.6	351.5	(484.9)	(133.4)
Attributable to:									
Shareholders of the Company	280.6	(683.0)	(402.4)	241.6	1,386.9	1,628.5	375.1	(484.5)	(109.4)
Minority interests	9.4	4.9	14.3	2.2	0.9	3.1	(23.6)	(0.4)	(24.0)
	290.0	(678.1)	(388.1)	243.8	1,387.8	1,631.6	351.5	(484.9)	(133.4)
			US¢			US¢			US¢
Earnings per share (<i>note 6</i>)									
- basic			(17.89)			70.95			(4.79)
- diluted			(17.89)			68.30			(4.79)

Hongkong Land Holdings Limited
Consolidated Statement of Comprehensive Income

	(unaudited) Six months ended 30th June 2009 US\$m	2008 US\$m	Year ended 31st December 2008 US\$m
(Loss)/profit for the period	(388.1)	1,631.6	(133.4)
Revaluation of properties	83.3	-	-
Revaluation gain of other investments transferred to consolidated profit and loss account	-	(6.1)	(6.1)
Actuarial losses on employee benefit plans	-	-	(12.1)
Net exchange translation differences	(7.1)	73.5	73.3
Cash flow hedges			
- (losses)/gains arising during the period	(4.4)	2.0	(0.6)
- transfer to consolidated profit and loss account	3.3	1.5	(3.6)
Tax relating to components of other comprehensive income	(14.0)	(0.7)	3.8
Other comprehensive income for the period	61.1	70.2	54.7
Total comprehensive income for the period	(327.0)	1,701.8	(78.7)
Attributable to:			
Shareholders of the Company	(340.0)	1,692.8	(55.7)
Minority interests	13.0	9.0	(23.0)
	(327.0)	1,701.8	(78.7)

Hongkong Land Holdings Limited
Consolidated Balance Sheet

	2009 US\$m	(unaudited) At 30th June 2008 US\$m	At 31st December 2008 US\$m
Net operating assets			
Investment properties (<i>note 8</i>)	12,911.0	15,722.5	13,702.7
Tangible assets	6.2	12.9	14.8
Joint ventures	1,987.3	1,931.4	1,797.5
Deferred tax assets	3.7	1.9	4.5
Pension assets	6.0	17.7	6.1
Non-current debtors	68.8	35.4	101.9
Non-current assets	14,983.0	17,721.8	15,627.5
Properties for sale	817.0	1,239.3	838.9
Current debtors	297.3	247.0	289.2
Bank balances	1,131.9	1,134.5	1,119.0
Current assets	2,246.2	2,620.8	2,247.1
Current creditors	(656.5)	(781.3)	(668.8)
Current borrowings (<i>note 9</i>)	(174.6)	(180.0)	(95.4)
Current tax liabilities	(84.5)	(62.6)	(58.2)
Current liabilities	(915.6)	(1,023.9)	(822.4)
Net current assets	1,330.6	1,596.9	1,424.7
Long-term borrowings (<i>note 9</i>)	(3,508.9)	(3,525.1)	(3,624.1)
Deferred tax liabilities	(1,863.5)	(2,322.7)	(1,992.9)
Non-current creditors	(23.1)	(24.4)	(26.8)
	10,918.1	13,446.5	11,408.4
Total equity			
Share capital	224.9	229.5	224.9
Revenue and other reserves	10,590.9	13,089.7	11,088.4
Shareholders' funds	10,815.8	13,319.2	11,313.3
Minority interests	102.3	127.3	95.1
	10,918.1	13,446.5	11,408.4

Hongkong Land Holdings Limited
Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company						Attributable to minority interests US\$m	Total equity US\$m	
	Share capital US\$m	Revenue reserves US\$m	Capital reserves US\$m	Asset revaluation reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m			Total US\$m
Six months ended 30th June 2009									
At 1st January 2009	224.9	10,901.9	63.4	-	1.2	121.9	11,313.3	95.1	11,408.4
Total comprehensive income	-	(402.4)	-	70.0	(1.7)	(5.9)	(340.0)	13.0	(327.0)
Dividends paid by the Company	-	(157.5)	-	-	-	-	(157.5)	-	(157.5)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(5.8)	(5.8)
At 30th June 2009	<u>224.9</u>	<u>10,342.0</u>	<u>63.4</u>	<u>70.0</u>	<u>(0.5)</u>	<u>116.0</u>	<u>10,815.8</u>	<u>102.3</u>	<u>10,918.1</u>
Six months ended 30th June 2008									
At 1st January 2008	229.5	11,486.7	63.4	-	3.8	49.6	11,833.0	124.1	11,957.1
Total comprehensive income	-	1,622.5	-	-	2.7	67.6	1,692.8	9.0	1,701.8
Dividends paid by the Company	-	(206.6)	-	-	-	-	(206.6)	-	(206.6)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(5.8)	(5.8)
At 30th June 2008	<u>229.5</u>	<u>12,902.6</u>	<u>63.4</u>	<u>-</u>	<u>6.5</u>	<u>117.2</u>	<u>13,319.2</u>	<u>127.3</u>	<u>13,446.5</u>
Year ended 31st December 2008									
At 1st January 2008	229.5	11,486.7	63.4	-	3.8	49.6	11,833.0	124.1	11,957.1
Total comprehensive income	-	(125.4)	-	-	(2.6)	72.3	(55.7)	(23.0)	(78.7)
Dividends paid by the Company	-	(344.3)	-	-	-	-	(344.3)	-	(344.3)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(6.0)	(6.0)
Repurchase of shares	(4.6)	(115.1)	-	-	-	-	(119.7)	-	(119.7)
At 31st December 2008	<u>224.9</u>	<u>10,901.9</u>	<u>63.4</u>	<u>-</u>	<u>1.2</u>	<u>121.9</u>	<u>11,313.3</u>	<u>95.1</u>	<u>11,408.4</u>

Hongkong Land Holdings Limited
Consolidated Cash Flow Statement

	(unaudited) Six months ended 30th June 2009 US\$m	2008 US\$m	Year ended 31st December 2008 US\$m
Operating activities			
Operating (loss)/profit	(547.9)	1,652.1	(301.3)
Depreciation	1.0	0.8	1.7
Provision on properties for sale	-	-	180.2
Decrease/(increase) in fair value of investment properties	885.2	(1,406.5)	698.9
Asset impairment provisions, reversals and disposals	(0.4)	(0.2)	(1.8)
Decrease/(increase) in working capital	6.1	(16.6)	5.7
Interest received	25.2	37.4	68.8
Interest and other financing charges paid	(52.6)	(60.4)	(109.3)
Tax paid	(20.0)	(13.2)	(62.3)
Dividends from joint ventures	7.5	2.7	50.4
Cash flows from operating activities	304.1	196.1	531.0
Investing activities			
Major renovations expenditure	(14.8)	(11.8)	(29.8)
Developments capital expenditure	(3.6)	(7.2)	(15.0)
Investments in and loans to joint ventures	(114.1)	(39.6)	(111.5)
Cash flows from investing activities	(132.5)	(58.6)	(156.3)
Financing activities			
Drawdown of borrowings	93.6	278.2	391.5
Repayment of borrowings	(90.7)	(179.0)	(291.4)
Repurchase of shares	-	-	(119.7)
Capital contribution from minority shareholders	3.8	-	2.0
Dividends paid by the Company	(157.1)	(205.7)	(343.1)
Dividends paid to minority shareholders	(5.8)	(6.1)	(6.3)
Cash flows from financing activities	(156.2)	(112.6)	(367.0)
Effect of exchange rate changes	(2.0)	5.5	6.5
Net increase in cash and cash equivalents	13.4	30.4	14.2
Cash and cash equivalents at beginning of period	1,117.1	1,102.9	1,102.9
Cash and cash equivalents at end of period	1,130.5	1,133.3	1,117.1

Hongkong Land Holdings Limited
Notes to Condensed Financial Statements

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 not been audited or reviewed by the Group's auditor pursuant to the UK Auditing Practices Board guidance on the review of interim financial information.

In 2009, the Group adopted the following standards, and amendments and interpretations to existing standards which are relevant to its operations:

IFRS 8	Operating Segments
IAS 1 (revised 2007)	Presentation of Financial Statements
IAS 23 (revised 2007)	Borrowing Costs
Amendments to IFRS 1 and IAS 27	Cost of Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to IFRS 2	Vesting Conditions and Cancellations
Amendments to IFRS 7	Improving Disclosures about Financial Instruments
IFRIC 13	Customer Loyalty Programmes
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
Improvements to IFRSs (2008)	

With the exception of amendments to IFRS 1 and IAS 27, IFRIC 13 and amendment to IAS 40 included in the 2008 improvement project, there are no changes in accounting policies that affect the Group's financial statements resulting from adoption of the above standards, amendments and interpretations as they are consistent with the policies already adopted by the Group.

IFRS 8 'Operating Segments' supersedes IAS 14 'Segment Reporting' and requires the reporting of financial and descriptive information about an entity's reportable segments on the basis of internal reports that are regularly reviewed by its management. There is no change in the Group's reportable segments from 2008 as they are consistent with the internal reporting provided to management. Further information on each operating segment is described on page 30 of the 2008 Annual Report. No operating segments have been aggregated to form the reportable segments.

As a result of adoption of IAS 1 (revised 2007), two new primary statements, 'Consolidated Statement of Comprehensive Income' and 'Consolidated Statement of Changes in Equity' have been presented in these interim financial statements. The former replaces the 'Consolidated Statement of Recognised Income and Expense' presented in the 2008 annual financial statements. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Amendments to IFRS 1 and IAS 27 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate' remove the definition of the cost method from IAS 27 and allow an entity to recognise a dividend from subsidiary, jointly controlled entity or associate in profit and loss in its separate financial statements when its right to receive the dividend is established. There is no impact on the consolidated financial statements as the changes only affect the separate financial statements of the investing entity.

IFRIC 13 'Customer Loyalty Programmes' addresses the accounting by entities that grant loyalty award credits to customers who buy goods or services. It requires that the consideration receivable from the customer is allocated between the separately identifiable components of the sale transaction using fair values. There is no significant impact on the results of the Group on adoption of this interpretation.

The improvements to IFRSs (2008) comprise amendments to a number of IFRSs, of which the following amendment has impact on the Group's financial statements.

Amendments to IAS 40 'Investment Property' requires investment property under construction to be carried at fair value at the earlier of when the fair value first becomes reliably measurable and the date of completion of the property with any gain or loss recognised in profit or loss. This is a change in accounting policy as previously such property was carried at cost until the construction was completed.

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

IFRS 3 (revised 2008)	Business Combinations
Amendment to IAS 27	Consolidated and Separate Financial Statements

IFRS 3 (revised) and the related amendment to IAS 27 (both effective prospectively from 1st July 2009) require the immediate expensing of all acquisition-related costs, the inclusion in the cost of acquisition of the fair value at acquisition date of any contingent purchase consideration, the remeasurement of previously held equity interest in the acquiree at fair value in a business combination achieved in stages, and accounting for changes in a parent's ownership interest in a subsidiary that do not result in the loss of control as equity transactions. The early adoption of IFRS 3 (revised) and the related amendment to IAS 27 has resulted in changes in the Group's accounting policies for goodwill and change in attributable interests in subsidiaries.

Until 31st December 2008, acquisition-related costs were included in the cost of a business combination; contingent purchase consideration was recognised in goodwill as incurred; the cost of each exchange transaction in a business combination achieved in stages was compared with the fair values of the acquiree's identifiable net assets to determine the amount of goodwill associated with that transaction; the difference between the cost of acquisition and the carrying amount of the proportion of minority

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

interest acquired in respect of an increase in attributable interest in a subsidiary was recognised as goodwill or credited to the consolidated profit and loss account as discount on acquisition, where appropriate; and the difference between the proceeds and the carrying amount of the proportion sold in respect of a decrease in attributable interest in a subsidiary was recognised in the consolidated profit and loss account as profit or loss on disposal. The Group continues to measure minority interest in an acquiree in a business combination at the minority interest's proportionate share of the acquiree's identifiable net assets.

In addition, on implementation of IFRS 8, the Group early adopted an amendment to IFRS 8 'Operating Segments' (effective from 1st January 2010) included in the 2009 improvement project. The amendment clarifies that a measure of total assets should be disclosed in the financial statements only if that amount is regularly provided to management.

There have been no other changes to the accounting policies described in the 2008 annual financial statements.

2. REVENUE

	Six months ended 30th June	
	2009 US\$m	2008 US\$m
<i>Operating segments</i>		
Commercial property		
Rental income	329.9	263.2
Service income	46.9	52.8
	376.8	316.0
Residential property		
Rental income	1.1	1.3
Sales of residential properties	143.6	1.9
	144.7	3.2
	521.5	319.2

Service income in Commercial property includes service and management charges and hospitality service income.

3. OPERATING PROFIT

	Six months ended 30th June	
	2009	2008
	US\$m	US\$m
<i>Operating segments</i>		
Commercial property	322.2	264.3
Residential property	40.4	0.8
Corporate	(25.7)	(19.7)
	336.9	245.4
(Decrease)/increase in fair value of investment properties	(885.2)	1,406.5
Asset impairment provisions, reversals and disposals	0.4	0.2
	(547.9)	1,652.1

4. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30th June	
	2009	2008
	US\$m	US\$m
<i>Operating segments</i>		
Commercial property	4.8	9.6
Residential property	23.3	41.5
	28.1	51.1
Increase in fair value of investment properties		
- Commercial property	63.1	88.6
- Residential property	2.8	6.6
	65.9	95.2
Asset impairment provisions, reversals and disposals	(4.2)	(0.3)
	89.8	146.0

Results are shown after tax and minority interests in the joint ventures.

5. TAX

	Six months ended 30th June	
	2009	2008
	US\$m	US\$m
Tax (credited)/charged to profit and loss is analysed as follows:		
Current tax	46.6	31.8
Deferred tax		
- changes in fair value of investment properties	(145.0)	113.8
- other temporary differences	2.7	(0.7)
	(95.7)	144.9
Tax relating to components of other comprehensive income is analysed as follows:		
Revaluation of properties	13.3	-
Cash flow hedges	0.7	0.7
	14.0	0.7

Tax on profits is calculated at the rates of taxation prevailing in the territories in which the Group operates. The US\$113.8 million deferred tax charge in relation to the changes in fair value of investment properties in 2008 was netted of a credit of US\$121.7 million resulting from the reduction in profits tax rate in Hong Kong. Share of tax of joint ventures of US\$15.9 million (*2008: US\$35.5 million*) are included in share of results of joint ventures. The Group has no tax payable in the United Kingdom.

6. EARNINGS PER SHARE

Basic earnings per share are calculated on loss attributable to shareholders of US\$402.4 million (2008: profit of US\$1,628.5 million) and on the weighted average number of 2,249.3 million (2008: 2,295.2 million) shares in issue during the period.

Diluted earnings per share are calculated on loss attributable to shareholders of US\$392.2 million (2008: profit of US\$1,638.5 million), which is after adjusting for the effects of the conversion of convertible bonds, and on the weighted average number of 2,353.2 million (2008: 2,399.1 million) shares in issue during the period.

Earnings per share are additionally calculated based on underlying profit attributable to shareholders. The difference between underlying profit attributable to shareholders and loss attributable to shareholders is reconciled as follows:

	Six months ended 30th June					
	2009			2008		
	Basic earnings per share	Diluted earnings per share		Basic earnings per share	Diluted earnings per share	
	US\$m	US¢	US¢	US\$m	US¢	US¢
Underlying profit attributable to shareholders	280.6	12.47		241.6	10.53	
Non-trading items (note 7)	(683.0)			1,386.9		
(Loss)/profit attributable to shareholders	(402.4)	(17.89)		1,628.5	70.95	
Interest expense on convertible bonds (net of tax)	10.2			10.0		
(Loss)/profit for calculation of diluted earnings per share	(392.2)		(17.89)	1,638.5		68.30

7. 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 and investment properties; assets impairments; provisions for the closure of businesses; 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	
	2009 US\$m	2008 US\$m
(Decrease)/increase in fair value of investment properties	(885.2)	1,406.5
Deferred tax credits/(charges) on changes in fair value of investment properties	145.0	(113.8)
Share of increase in fair value of investment properties of joint ventures (net of deferred tax)	65.9	95.2
Asset impairment provisions, reversals and disposals	0.4	0.2
Share of asset impairment provisions, reversals and disposals of joint ventures	(4.2)	(0.3)
Minority interests	(4.9)	(0.9)
	(683.0)	1,386.9

8. INVESTMENT PROPERTIES

	Six months ended 30th June		Year ended 31st December
	2009 US\$m	2008 US\$m	2008 US\$m
Net book value at beginning of period	13,702.7	14,260.6	14,260.6
Exchange rate adjustments	(4.3)	32.9	96.5
Additions	9.5	22.5	44.5
Transfer from tangible assets	88.3	-	-
Net revaluation (deficits)/surpluses	(885.2)	1,406.5	(698.9)
Net book value at end of period	12,911.0	15,722.5	13,702.7

9. BORROWINGS

	At 30th June 2009 US\$m	At 30th June 2008 US\$m	At 31st December 2008 US\$m
<i>Current</i>			
Bank overdrafts	1.4	1.2	1.9
Short-term borrowings	17.3	82.5	9.0
Current portion of long-term borrowings	155.9	96.3	84.5
	174.6	180.0	95.4
<i>Long-term borrowings</i>			
Bank loans	1,503.2	1,553.0	1,587.8
7% United States Dollar bonds due 2011	621.8	617.6	629.1
5.5% United States Dollar bonds due 2014	534.9	493.2	555.2
3.01% Singapore Dollar notes due 2010	226.3	237.1	229.4
3.65% Singapore Dollar notes due 2015	259.5	270.4	264.2
2.75% United States Dollar convertible bonds due 2012	363.2	353.8	358.4
	3,508.9	3,525.1	3,624.1
	3,683.5	3,705.1	3,719.5
Secured	208.2	316.8	258.9
Unsecured	3,475.3	3,388.3	3,460.6
	3,683.5	3,705.1	3,719.5

10. NET ASSET VALUE PER SHARE

Net asset value per share is calculated on shareholders' funds of US\$10,815.8 million (2008: US\$13,319.2 million) and on 2,249.3 million (2008: 2,295.2 million) shares issued at the period end.

Net asset value per share is additionally calculated based on adjusted shareholders' funds. The difference between shareholders' funds and adjusted shareholders' funds is reconciled as follows:

	At 30th June 2009 US\$m	At 30th June 2008 US\$m	At 31st December 2008 US\$m
Shareholders' funds	10,815.8	13,319.2	11,313.3
Deferred tax on revaluation surpluses of investment properties	1,820.2	2,280.3	1,951.7
Share of deferred tax on revaluation surpluses of investment properties of joint ventures	53.5	55.7	43.1
Adjusted shareholders' funds	12,689.5	15,655.2	13,308.1

- more -

11. DIVIDENDS

	Six months ended 30th June	
	2009 US\$m	2008 US\$m
Final dividend in respect of 2008 of US¢7.00 (2007: US¢9.00) per share	157.5	206.6

An interim dividend in respect of 2009 of US¢6.00 (2008: US¢6.00) per share amounting to a total of US\$135.0 million (2008: US\$137.7 million) is declared by the Board and will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2009.

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	At 30th June		At 31st December
	2009 US\$m	2008 US\$m	2008 US\$m
Capital commitments	124.7	645.9	155.4
Contribution to joint ventures	651.4	1,003.5	744.4

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 consolidated financial statements.

13. RELATED PARTY TRANSACTIONS

There have been no related parties transactions that have taken place in the first six months of the current financial year or any changes in the related parties transactions described in the last Annual Report that have had or could have a material effect on the financial position or performance of the Group.

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 62 of the Company's Annual Report for 2008, 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 Services Authority of the United Kingdom.

For and on behalf of the Board

A J L Nightingale
Y K Pang

Directors

6th August 2009

The interim dividend of US\$6.00 per share will be payable on 21st October 2009 to shareholders on the register of members at the close of business on 28th August 2009. The ex-dividend date will be on 26th August 2009, and the share registers will be closed from 31st August to 4th September 2009, inclusive. Shareholders will receive their dividends in United States Dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2009 interim dividend by notifying the United Kingdom transfer agent in writing by 2nd October 2009. The sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 7th October 2009. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive United States Dollars unless they elect, through CDP, to receive Singapore Dollars.

Hongkong Land Group

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

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

Hongkong Land also develops premium residential properties in a number of cities in the region, not least in Singapore where its 77%-owned listed affiliate, MCL Land, is a significant developer.

Hongkong Land Holdings Limited is incorporated in Bermuda. Its primary listing is in London, and its shares are also listed 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.

For further information, please contact:

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As permitted by the Disclosure and Transparency Rules of the Financial Services Authority of 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.