

2015/16

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I N T E R I M  
R E P O R T



A Member of the Hong Leong Group

(Stock Code: 53)

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## CORPORATE INFORMATION

(As at 19 February 2016)

### BOARD OF DIRECTORS

#### Chairman

Quek Leng Chan

#### Executive Director

Kwek Leng Hai – *President, CEO*

#### Non-executive Directors

Kwek Leng San

Tan Lim Heng

#### Independent Non-executive Directors

Volker Stoeckel

Roderic N. A. Sage

David Michael Norman

### BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

Roderic N. A. Sage – *Chairman*

Volker Stoeckel

David Michael Norman

### BOARD REMUNERATION COMMITTEE

Volker Stoeckel – *Chairman*

Quek Leng Chan

Roderic N. A. Sage

### BOARD NOMINATION COMMITTEE

Quek Leng Chan – *Chairman*

Volker Stoeckel

Roderic N. A. Sage

### CHIEF FINANCIAL OFFICER

Adam R. Boswick

### COMPANY SECRETARY

Stella Lo Sze Man

### PLACE OF INCORPORATION

Bermuda

### REGISTERED OFFICE

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Hamilton HM 12, Bermuda

### PRINCIPAL OFFICE

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### BRANCH SHARE REGISTRARS

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183 Queen's Road East, Hong Kong

## FINANCIAL CALENDAR

Interim results announcement

19 February 2016

Latest time to register transfers for interim dividend

4:30 p.m. on 14 March 2016

Closure of Register of Members for interim dividend

15 March 2016

Payment date of interim dividend of HK\$1.00 per share

23 March 2016

The board of directors (the “Board”) of Guoco Group Limited (the “Company”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 31 December 2015.

## FINANCIAL RESULTS

The unaudited consolidated profit attributable to equity shareholders for the six months ended 31 December 2015, after taxation and non-controlling interests, amounted to HK\$2,529 million, as compared to HK\$1,620 million for the previous corresponding period, up 56% year-on-year. Basic earnings per share amounted to HK\$7.78.

For the six months ended 31 December 2015, pre tax results were generated from the following sources:

- property development and investment of HK\$4,200 million;
- hospitality and leisure of HK\$982 million;
- financial services of HK\$300 million;
- oil and gas royalty of HK\$81 million; and
- a net loss of HK\$192 million from principal investment.

Revenue increased by 12% to HK\$9.8 billion. The increase was mainly derived from the property development and investment sector of HK\$1.2 billion.

## INTERIM DIVIDEND

The Board has declared an interim dividend of HK\$1.00 per share amounting to approximately HK\$329 million (2014/2015 interim dividend: HK\$1.00 per share amounting to approximately HK\$329 million) for the financial year ending 30 June 2016 which will be payable on Wednesday, 23 March 2016 to the shareholders whose names appear on the Register of Members on Tuesday, 15 March 2016.

## REVIEW OF OPERATIONS

### PRINCIPAL INVESTMENT

The six months to December 2015 was another eventful period for financial markets. A turbulent correction in Chinese A-shares, continued downturn in commodity prices, a long-awaited rate hike by the Fed and additional stimulus by the ECB all impacted investors’ sentiment and market performance. Equities experienced big swings in prices with major stock indices recording declines during the period. Our investment portfolio recorded mark-to-market losses for the period.

Amidst the volatile condition of the money market, our treasury team was able to seize the opportunities to harvest foreign exchange trading gains and lessen the impact on interest expenses.

## REVIEW OF OPERATIONS

**PROPERTY DEVELOPMENT AND INVESTMENT****GuocoLand Limited (“GuocoLand”)**

GuocoLand ended its half year with a profit attributable to equity holders of S\$589.5 million, an increase of S\$520.0 million as compared to the previous corresponding period. The increase in profit was primarily due to a gain from disposal of the subsidiaries relating to the Dongzhimen project during the period.

Revenue for the half year ended 31 December 2015 increased by 17% to S\$679.3 million, largely driven by better performance by Singapore and China as well as revenue recognised from DC Residency in Malaysia during the period.

Administrative expenses decreased for the half year ended 31 December 2015 mainly as a result of lower professional fees for GuocoLand’s operations in China.

According to flash estimates released by the Singapore Urban Redevelopment Authority, overall private residential properties prices index has fallen by 3.7% for the whole of 2015 following the 4% drop in 2014. This suggests that market sentiment in Singapore remains subdued. In China, new home prices rose in 39 of 70 cities surveyed by the National Statistics Bureau in December 2015. Residential property demand in China has been supported by relaxation of property cooling measures by the government and lowering of interest rates. In Malaysia, the property market outlook and sentiment continue to be cautious amid uncertain economic environment.

With a volatile global economic environment, GuocoLand foresees a challenging year ahead. It will continue to focus on sales and leasing of its current projects while being watchful for investment opportunities.

**HOSPITALITY AND LEISURE****GL Limited (“GL”, formerly known as GuocoLeisure Limited)**

GL recorded a profit after tax of US\$51.2 million for the half year ended 31 December 2015, an increase of 64% as compared to US\$31.2 million for the previous corresponding period.

Revenue stood at US\$229.8 million which was 1% below that of the previous corresponding period, principally due to lower Bass Strait oil and gas royalty income. Lower average crude oil price and decline of oil production have negatively impacted the royalty income during the period. Apart from this, the weakening of AUD/USD exchange rate also affected the overall royalty earnings. However, this was offset by higher revenue generated by gaming and property development segments as a result of improved gaming drops and win margin and land disposal respectively.

Hotel revenue was lower compared to previous corresponding period mainly due to the weakening of GBP/USD exchange rate despite improved RevPAR during the half year.

Cost of sales decreased by 4% compared to the previous corresponding period. This was resulted primarily from the weakening of GBP/USD exchange rate, but was partially offset by higher gaming duty in tandem with the increase in gaming revenue during the half year.

Administrative expenses also decreased by 3% for the half year ended 31 December 2015. This was generally attributable to the weakening of GBP/USD exchange rate as well as reflecting the overall cost disciplines of GL.

## HOSPITALITY AND LEISURE (Cont'd)

### GL Limited ("GL", formerly known as GuocoLeisure Limited) (Cont'd)

Financing costs fell by 60% for the half year ended 31 December 2015 primarily due to savings in interest costs resulting from the refinancing of mortgage debentures with a term loan in December 2014 at the hotel segment.

GL continues its portfolio rebranding with successful launch of Amba Hotel Marble Arch in November 2015. GL expects to launch the second hotel under its every Hotel brand, the every Hotel Bloomsbury Park, in mid 2016. Following on from the announcement of Thistle Express, GL has started work on the design aspects of this budget sector offering with intention to be on site in the next six months.

Recent events in Paris have dampened the performance of the London hotel market. GL maintains a cautious outlook as such events could negatively impact discretionary travel in the coming quarters. Furthermore, a weakening GBP continues to weigh down on revenue growth in USD terms.

In the global oil market, oil prices have continued their downward spiral. This significant decline, coupled with a weaker AUD, have adversely affected GL's oil and gas royalty revenues. Oil and gas prices are not expected to recover in the coming year.

### The Rank Group Plc ("Rank")

Rank registered an increase of 17% in its profit after taxation (before exceptional items and discontinued operations) for the half year ended 31 December 2015 to GBP31.6 million.

Revenue from continuing operations grew by 3% to GBP374.2 million, with a strong 14% growth in digital revenue being offset by lower revenue from Mecca Bingo venues (following the closure of a number of underperforming venues) and adverse exchange rates impacting euro denominated income in Spain and Belgium.

Operating profit before exceptional items of GBP40.4 million was down by GBP0.4 million compared to the previous corresponding period, following an additional GBP4.8 million cost arising from the new 15% remote gaming duty levied on all UK digital income effective from 1 December 2014. On a comparable basis, operating profit rose by 11%.

The Grosvenor Casinos brand increased operating profit by 7% to GBP33.3 million, with its digital channel increasing its profit by 26% despite increased remote gaming duty of GBP1.5 million. Mecca's profits fell by 13% to GBP19.9 million following a GBP3.3 million increase in remote gaming duty, with venues revenue marginally down versus the previous corresponding period.

Net financing charges fell by 37% following the reduction in debt levels and the negotiation of replacement bank facilities.

Exceptional items and discontinued operations credit totalling GBP10.0 million mainly comprised a GBP6.0 million credit following the sale of a freehold and a GBP3.7 million tax refund following the successful settlement of a transfer pricing dispute relating to a disposed business.

Rank will see in 2016 delivery of significant new platforms, new functionality and new products, all of which are expected to drive improvement across all parts of its business.

## REVIEW OF OPERATIONS

**FINANCIAL SERVICES****Hong Leong Financial Group Berhad (“HLFG”)**

HLFG Group achieved a profit before tax of RM1,184.3 million for the six months ended 31 December 2015 as compared to RM1,543.1 million in the previous corresponding period, a decrease of RM358.8 million or 23.3%. The overall decrease in profit before tax was mainly due to lower contribution from the commercial banking division.

The commercial banking division recorded a profit before tax of RM1,050.6 million for the period, a decrease of RM360.4 million or 25.5% versus the previous corresponding period. The lower profit was mostly caused by higher operating expenses of RM228.4 million (inclusive of a one-off Mutual Separation Scheme expense of RM167.1 million), higher allowance for impairment losses on loans by RM152.9 million and a lower share of profit from Bank of Chengdu Co., Limited and the Sichuan Jincheng Consumer Finance joint venture by RM36.1 million. However, this is mitigated by higher revenue of RM58.7 million.

The insurance division registered a profit before tax of RM131.1 million for the six months ended 31 December 2015 as compared to RM111.3 million in the previous corresponding period, an increase of RM19.8 million or 17.8%. The increase was largely due to higher net income of RM42.2 million and higher share of profit from an associated company by RM3.5 million. This was offset by higher operating expenses of RM8.5 million and lower allowance for impairment losses of RM17.5 million.

The investment banking division recorded a profit before tax of RM34.3 million for the six months ended 31 December 2015 compared to RM34.2 million in the previous corresponding period, an increase of RM0.1 million or 0.3% mainly due to higher contributions from the investment banking and stockbroking divisions.

**GROUP FINANCIAL COMMENTARY****Capital Management**

The Group’s consolidated total equity attributable to equity shareholders of the Company as at 31 December 2015 amounted to HK\$55.4 billion, a decrease of 5% compared to the total equity as at 30 June 2015.

The equity-debt ratio as at 31 December 2015 is arrived at as follows:

	HK\$'M
Total borrowings	36,546
Less: Cash and short term funds	(25,239)
Trading financial assets	(9,595)
<b>Net debt</b>	<b>1,712</b>
<b>Total equity attributable to equity shareholders of the Company</b>	<b>55,431</b>
<b>Equity-debt ratio</b>	<b>97:3</b>

The Group’s total cash balance and trading financial assets were mainly in USD 41%, RMB12%, GBP 11%, HKD 10%, JPY 9% and SGD 7%.

## GROUP FINANCIAL COMMENTARY (Cont'd)

### Total Borrowings

The decrease in total borrowings from HK\$44.1 billion as at 30 June 2015 to HK\$36.5 billion as at 31 December 2015 was primarily due to the repayment of loans. The Group's total borrowings are mainly denominated in SGD 57%, USD 17%, GBP 10% and MYR 6%.

The Group's bank loans and other borrowings are repayable as follows:

	Bank loans HK\$'M	Mortgage debenture stock HK\$'M	Other borrowings HK\$'M	Total HK\$'M
Within 1 year or on demand	2,170	–	2,531	4,701
After 1 year but within 2 years	14,231	–	5,959	20,190
After 2 years but within 5 years	8,250	–	2,188	10,438
After 5 years	507	664	46	1,217
	22,988	664	8,193	31,845
	25,158	664	10,724	36,546

Bank loans, mortgage debenture stock and other borrowings are secured by certain properties, fixed assets and trading financial assets with an aggregate book value of HK\$33.9 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 31 December 2015 amounted to approximately HK\$9.5 billion.

### Interest Rate Exposure

The Group's interest rate risk arises from treasury activities and borrowings. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. The Group uses interest rate swaps to manage its interest rate exposure as appropriate.

As at 31 December 2015, approximately 66% of the Group's borrowings were at floating rates and the remaining 34% were at fixed rates. The Group had outstanding interest rate swaps with notional amount of HK\$1.8 billion.

### Foreign Currency Exposure

The Group from time to time enters into foreign exchange contracts, which are primarily over-the-counter derivatives, principally for hedging foreign currency exposures and investments.

As at 31 December 2015, there were outstanding foreign exchange contracts with a total notional amount of HK\$27.6 billion for hedging of foreign currency equity and bond investments.

### Equity Price Exposure

The Group maintains an investment portfolio which comprises majority listed equities. Equity investments are subject to asset allocation limits.

### Contingent Liabilities

Details are encapsulated in note 17 "Contingent Liabilities" to the Unaudited Interim Financial Report.

## HUMAN RESOURCES AND TRAINING

The Group employed approximately 13,500 employees as at 31 December 2015. The Group continued to follow a measured approach towards achieving an optimal and efficient size of its workforce and is committed to providing its staff with ongoing development programmes to enhance productivity and work quality.

The remuneration policy for the Group's employees is reviewed on a regular basis. Remuneration packages are structured to take into account the level and composition of pay and general market conditions in the respective countries and businesses in which the Group operates. Bonus and other merit payments are linked to the financial results of the Group and individual achievement as incentives to optimise performance. In addition, share based award schemes are in place for granting share options and/or free shares to eligible employees to align their long term interests with those of the shareholders and for the purposes of staff motivation and talent retention.

## OUTLOOK

Equity market turbulence during the initial weeks of 2016 served as a timely reminder of a challenging macro outlook faced by investors this year. The Fed is expected to embark on its tightening path while other major central banks will stay with their dovish bias. This policy divergence may cause ongoing unease and rising market fluctuations. At the same time, concerns over China may continue to prevail although we believe the Chinese authorities have the tools and commitment to support growth and the financial system if necessary. We expect market conditions to remain volatile.

Given a tougher operating environment in 2016, our core businesses will continue to focus on execution of their business plans and strategies.

## PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its other subsidiaries, purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2015.

## CORPORATE GOVERNANCE

### CODE ON CORPORATE GOVERNANCE PRACTICES

The Board has adopted a Code of Corporate Governance Practices (the "CGP Code"), which is based on the principles set out in Appendix 14 (the "HKEx Code") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

During the period, the Company has complied with the HKEx Code, save that non-executive directors are not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Bye-Laws of the Company and the CGP Code. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the HKEx Code.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding directors' securities transactions.

All directors of the Company, following specific enquiry by the Company, have confirmed that they have complied with the required standard set out in the Model Code throughout the period.

## OTHER INFORMATION

### UPDATE ON DIRECTOR'S INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Company's directors up to 19 February 2016 are set out below:

1. Mr Tan Lim Heng executed a supplemental letter extending the term of his service contract with a subsidiary of the Company for a period ended 16 February 2016.
2. Mr David Michael Norman was appointed as a member of the Takeovers and Mergers Panel of the Securities and Futures Commission of Hong Kong ("SFC") for a term from 1 April 2014 to 31 March 2016. He was also appointed as the Chairman of the Share Registrars' Disciplinary Committee of the SFC for a term from 1 April 2015 to 31 March 2017.

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2015, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of the Company ("Model Code") were disclosed as follows in accordance with the Listing Rules. Certain information herein is based on additional information of the relevant events on or before 31 December 2015 with the disclosure deadlines under the SFO falling after 31 December 2015.

#### (A) The Company

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of the Company	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	1,056,325	249,431,792	250,488,117	76.12%	Note
Kwek Leng Hai	3,800,775	–	3,800,775	1.16%	
Kwek Leng San	209,120	–	209,120	0.06%	
Tan Lim Heng	566,230	–	566,230	0.17%	
David Michael Norman	4,000	–	4,000	0.00%	

\* Ordinary shares unless otherwise specified in the Notes

Note:

The total interests of 250,488,117 shares/underlying shares comprised 242,214,117 ordinary shares of the Company and 8,274,000 underlying shares of other unlisted derivatives.

## OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Cont'd)****(A) The Company (Cont'd)**

The corporate interests of 249,431,792 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	236,524,930
GuoLine Capital Limited ("GCL")	8,274,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	4,026,862
Chaghese Limited ("CL")	600,000
HL Management Co Sdn Bhd ("HLMC")	6,000

AFCW was wholly owned by Guoco Management Company Limited which in turn was wholly owned by the Company. The Company was 71.88% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which in turn was wholly owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). HLMC was wholly owned by HLH. HLH was 49.27% owned by Mr Quek Leng Chan as to 2.424% under his personal name, 46.534% via HL Holdings Sdn Bhd ("HLH") which was wholly owned by him and 0.311% via Newton (L) Limited ("NLL"). NLL was wholly owned by Newton Capital Group Limited which was 2.424% owned by Mr Quek Leng Chan and 46.534% owned by HLH.

CL was wholly owned by Mr Quek Leng Chan.

**(B) Associated Corporations****(a) Hong Leong Company (Malaysia) Berhad ("HLCM")**

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HLCM	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	390,000	7,537,100	7,927,100	49.27%	Note
Kwek Leng Hai	420,500	–	420,500	2.61%	
Kwek Leng San	160,895	–	160,895	1.00%	

\* Ordinary shares

Note:

The corporate interests of 7,537,100 shares comprised the respective direct interests held by:

	Number of shares
HL Holdings Sdn Bhd ("HLH")	7,487,100
Newton (L) Limited ("NLL")	50,000

The respective controlling shareholders of HLH and NLL as well as their respective percentage control are shown in the Note under Part (A) above.

## OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Cont'd)****(B) Associated Corporations (Cont'd)****(b) GuocoLand Limited ("GLL")**

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of GLL	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	13,333,333	864,370,020	877,703,353	74.17%	Note
Kwek Leng Hai	35,290,914	–	35,290,914	2.98%	
Tan Lim Heng	1,337,777	–	1,337,777	0.11%	
Volker Stoeckel	1,461,333	–	1,461,333	0.12%	

\* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 877,703,353 shares/underlying shares comprised 831,444,363 ordinary shares of GLL and 46,258,990 underlying shares of other unlisted derivatives.

The corporate interests of 864,370,020 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuocoLand Assets Pte Ltd ("GAPL")	772,032,426
GuoLine Capital Limited ("GCL")	46,258,990
GuoLine International Limited ("GIL")	32,461,318
Chaghese Limited ("CL")	13,417,286
HL Management Co Sdn Bhd ("HLMC")	200,000

GAPL was wholly owned by the Company. GIL was wholly owned by GuoLine Capital Assets Limited ("GCA"). The respective controlling shareholders of the Company, GCA, GCL, CL and HLMC as well as their respective percentage control are shown in the Note under Part (A) above.

**(c) Hong Leong Financial Group Berhad ("HLFG")**

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of HLFG	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	5,438,664	933,752,425	939,191,089	81.85%	Note
Kwek Leng Hai	2,526,000	–	2,526,000	0.22%	
Kwek Leng San	654,000	–	654,000	0.06%	
Tan Lim Heng	267,813	–	267,813	0.02%	

\* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 939,191,089 shares/underlying shares comprised 899,144,890 ordinary shares of HLFG and 40,046,199 underlying shares of other unlisted derivatives.

## OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Cont'd)****(B) Associated Corporations (Cont'd)****(c) Hong Leong Financial Group Berhad ("HLFG") (Cont'd)**

The corporate interests of 933,752,425 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	595,982,955
Guoco Assets Sdn Bhd ("GASB")	291,117,141
GuoLine Capital Limited ("GCL")	40,046,199
Soft Portfolio Sdn Bhd ("SPSB")	6,602,130
Hong Leong Share Registration Services Sdn Bhd ("HLSRS")	4,000

GASB was 45.45% and 54.55% owned by the Company and GA Investment Limited ("GAIL") respectively. GAIL was wholly owned by the Company. HLSRS was wholly owned by HL Management Co Sdn Bhd which in turn was wholly owned by HLCM.

The respective controlling shareholders of the Company, HLCM and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

SPSB was 99% owned by Mr Quek Leng Chan.

**(d) GuocoLand (Malaysia) Berhad ("GLM")**

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of GLM	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	19,506,780	478,198,296	497,705,076	71.05%	Note
Kwek Leng Hai	226,800	–	226,800	0.03%	
Tan Lim Heng	326,010	–	326,010	0.05%	

\* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 497,705,076 shares/underlying shares comprised 474,705,376 ordinary shares of GLM and 22,999,700 underlying shares of other unlisted derivatives.

## OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Cont'd)****(B) Associated Corporations (Cont'd)****(d) GuocoLand (Malaysia) Berhad ("GLM") (Cont'd)**

The corporate interests of 478,198,296 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GLL (Malaysia) Pte Ltd ("GLLM")	455,130,580
GuoLine Capital Limited ("GCL")	23,067,716

GLLM was wholly owned by GuocoLand Limited which in turn was 65.24% owned by GuocoLand Assets Pte Ltd ("GAPL").

The controlling shareholder of GCL and its percentage control are shown in the Note under Part (A) above.

The controlling shareholder of GAPL and its percentage control are shown in the Note under Part (B)(b) above.

**(e) GL Limited (formerly known as GuocoLeisure Limited) ("GL")**

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of GL	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	735,000	914,342,434	915,077,434	66.89%	Note
Tan Lim Heng	1,100,000	–	1,100,000	0.08%	

\* Ordinary shares

Note:

The corporate interests of 914,342,434 shares comprised the respective direct interests held by:

	Number of shares
GuocoLeisure Assets Limited ("GLAL")	912,285,634
GuoLine Overseas Limited ("GOL")	1,415,000
HL Management Co Sdn Bhd ("HLMC")	500,000
GuoLine Capital Limited ("GCL")	141,800

GLAL was wholly owned by the Company. The respective controlling shareholders of the Company, GOL, HLMC and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

## OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Cont'd)****(B) Associated Corporations (Cont'd)****(f) The Rank Group Plc ("Rank")**

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of Rank	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	285,207	219,582,221	219,867,428	56.28%	Note
Kwek Leng Hai	1,026,209	–	1,026,209	0.26%	
Kwek Leng San	56,461	–	56,461	0.01%	
Tan Lim Heng	152,882	–	152,882	0.04%	

\* Ordinary shares

Note:

The corporate interests of 219,582,221 shares comprised the respective direct interests held by:

	Number of shares
Rank Assets Limited ("RAL")	203,289,921
GuoLine Overseas Limited ("GOL")	15,830,300
HL Management Co Sdn Bhd ("HLMC")	300,000
Chaghese Limited ("CL")	162,000

RAL was wholly owned by the Company. The respective controlling shareholders of the Company, GOL, HLMC and CL as well as their respective percentage control are shown in the Note under Part (A) above.

## OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Cont'd)****(B) Associated Corporations (Cont'd)****(g) Hong Leong Industries Berhad ("HLI")**

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of HLI	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	–	243,551,870	243,551,870	76.24%	Note
Kwek Leng Hai	190,000	–	190,000	0.06%	
Kwek Leng San	2,520,000	–	2,520,000	0.79%	

\* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 243,551,870 shares/underlying shares comprised 242,665,670 ordinary shares of HLI and 886,200 underlying shares of other unlisted derivatives.

The corporate interests of 243,551,870 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Manufacturing Group Sdn Bhd ("HLMG")	238,217,035
Soft Portfolio Sdn Bhd ("SPSB")	2,512,000
Hong Leong Assurance Berhad ("HLA")	1,936,635
GuoLine Capital Limited ("GCL")	886,200

HLMG was wholly owned by Hong Leong Company (Malaysia) Berhad ("HLCM").

The controlling shareholder of SPSB and his percentage control are shown in the Note under Part (B)(c) above.

HLA was 70% owned by HLA Holdings Sdn Bhd ("HLAH"). HLAH was wholly owned by HLFG which in turn was 77.31% owned by HLCM.

The respective controlling shareholders of HLCM and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

## OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Cont'd)****(B) Associated Corporations (Cont'd)****(h) Hong Leong Bank Berhad ("HLB")**

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of HLB	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	–	1,346,589,469	1,346,589,469	64.53%	Note
Kwek Leng Hai	5,510,000	–	5,510,000	0.26%	
Kwek Leng San	536,000	–	536,000	0.03%	

\* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 1,346,589,469 shares/underlying shares comprised 1,346,237,169 ordinary shares of HLB and 352,300 underlying shares of other unlisted derivatives.

The corporate interests of 1,346,589,469 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Financial Group Berhad ("HLFG")	1,326,959,965
Hong Leong Equities Sdn Bhd ("HLESB")	13,177,716
GuoLine Capital Limited ("GCL")	3,128,644
Hong Leong Assurance Berhad ("HLA")	3,057,504
Asia Fountain Investment Company Limited ("AFI")	209,960
Soft Portfolio Sdn Bhd ("SPSB")	55,680

HLESB was wholly owned by HLFG. The respective controlling shareholders of HLFG and HLA as well as their respective percentage control are shown in the Note under Part (B)(g) above.

AFI was wholly owned by GuocoEquity Assets Limited which in turn was wholly owned by the Company. The respective controlling shareholders of the Company and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

The controlling shareholder of SPSB and his percentage control are shown in the Note under Part (B)(c) above.

## OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Cont'd)****(B) Associated Corporations (Cont'd)****(i) Malaysian Pacific Industries Berhad ("MPI")**

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of MPI	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	–	111,179,357	111,179,357	55.90%	Note
Kwek Leng Hai	71,250	–	71,250	0.04%	
Kwek Leng San	1,260,000	–	1,260,000	0.63%	

\* Ordinary shares

Note:

The corporate interests of 111,179,357 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Manufacturing Group Sdn Bhd ("HLMG")	104,386,088
Hong Leong Industries Berhad ("HLI")	2,438,469
Hong Leong Assurance Berhad ("HLA")	2,352,838
Asia Fountain Investment Company Limited ("AFI")	1,000,000
Soft Portfolio Sdn Bhd ("SPSB")	995,500
Hong Leong Share Registration Services Sdn Bhd ("HLSRS")	6,462

HLI was 74.57% owned by HLMG.

The respective controlling shareholders of HLMG and HLA as well as their respective percentage control are shown in the Note under Part (B)(g) above.

The controlling shareholder of AFI and its percentage control are shown in the Note under Part (B)(h) above.

The respective controlling shareholders of SPSB and HLSRS as well as their respective percentage control are shown in the Note under Part (B)(c) above.

**(j) Lam Soon (Hong Kong) Limited ("LSHK")**

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of LSHK
	Personal interests	Corporate interests	Total interests	
Kwek Leng Hai	2,300,000	–	2,300,000	0.95%
Tan Lim Heng	274,000	–	274,000	0.11%

\* Ordinary shares

## OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Cont'd)****(B) Associated Corporations (Cont'd)****(k) Hume Industries Berhad ("HIB")**

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of HIB	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	–	351,605,263	351,605,263	73.39%	Note
Kwek Leng Hai	205,200	–	205,200	0.04%	
Kwek Leng San	3,921,600	–	3,921,600	0.82%	

\* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 351,605,263 shares/underlying shares comprised 351,377,167 ordinary shares of HIB and 228,096 underlying shares of other unlisted derivatives.

The corporate interests of 351,605,263 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Manufacturing Group Sdn Bhd ("HLMG")	344,052,660
Soft Portfolio Sdn Bhd ("SPSB")	2,712,960
Hong Leong Industries Berhad ("HLI")	2,519,982
Hong Leong Assurance Berhad ("HLA")	2,091,565
GuoLine Capital Limited ("GCL")	228,096

The respective controlling shareholder of HLMG and HLA as well as their respective percentage control are shown in the Note under Part (B)(g) above.

The controlling shareholders of SPSB and its percentage control are shown in the Note under Part (B)(c) above.

The controlling shareholder of HLI and its percentage control are shown in the Note under Part (B)(i) above.

The controlling shareholder of GCL and its percentage control are shown in the Note under Part (A) above.

## OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Cont'd)****(C) Others**

Associated corporations in which Mr Quek Leng Chan was deemed to be interested solely through his deemed controlling interest in Hong Leong Company (Malaysia) Berhad and/or its subsidiaries:

Carsem (M) Sdn Bhd	Hong Leong Capital Berhad
Carter Resources Sdn Bhd (formerly known as Carter Realty Sdn Bhd)	Hong Leong MSIG Takaful Berhad
Century Touch Sdn Bhd <sup>#</sup>	Hong Leong Yamaha Motor Sdn Bhd
Dynamic Talent Limited*	Kwok Wah Hong Flour Company Limited <sup>#</sup>
GLL IHT Pte. Ltd.*	Lam Soon (Hong Kong) Limited
Guangzhou Lam Soon Food Products Limited	Luck Hock Venture Holdings, Inc.
Guocera Tile Industries (Meru) Sdn Bhd	Southern Steel Berhad
Hong Leong Assurance Berhad	Southern Pipe Industry (Malaysia) Sdn Bhd
Hong Leong Bank Berhad*	

\* In respect of interests in debentures only

<sup>#</sup> In members' voluntary liquidation

The Company applied for and the Stock Exchange granted a waiver from full compliance with the disclosure requirements in respect of details of the deemed interests of Mr Quek Leng Chan in the above associated corporations under Paragraph 13(1) of Appendix 16 to the Listing Rules.

Save as disclosed above, as at 31 December 2015, none of the directors of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified by the directors of the Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules.

**SHARE OPTIONS****The Company****Executive Share Option Scheme 2012 (the "ESOS 2012")**

The ESOS 2012 was approved by the shareholders of the Company at the special general meeting on 14 November 2012 and took effect on 16 November 2012 for grant of options over newly issued and/or existing shares of the Company to executives or directors of the Company or any of its subsidiaries from time to time.

No option had ever been granted pursuant to the ESOS 2012 up to 31 December 2015.

## OTHER INFORMATION

**SHARE OPTIONS (Cont'd)****GuocoLand Limited (“GLL”)****GuocoLand Limited Executives’ Share Option Scheme 2008 (the “GLL ESOS 2008”)**

The GLL ESOS 2008 was approved by the shareholders of GLL on 17 October 2008 and further approved by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 21 November 2008. Under the GLL ESOS 2008, options may be granted over newly issued and/or existing shares of GLL to eligible participants including employees and executive directors of GLL and its subsidiaries who are not GLL’s controlling shareholders or their associates.

There were no outstanding options at any time during the six months ended 31 December 2015.

**GL Limited (formerly known as GuocoLeisure Limited) (“GL”)****The GL Executives’ Share Option Scheme 2008 (formerly known as The GuocoLeisure Limited Executives’ Share Option Scheme 2008) (the “GL ESOS 2008”)**

The GL ESOS 2008 was approved by the shareholders of GL on 17 October 2008, and by the shareholders of the Company on 21 November 2008 pursuant to Chapter 17 of the Listing Rules. The GL ESOS 2008 allows the grant of options over newly issued and/or existing shares of GL to confirmed employees (including executive directors) of GL and its subsidiaries.

Details of the options outstanding during the six months ended 31 December 2015 are as follows:

Grantees	Date of grant	No. of GL shares comprised in options					As at 31 Dec 2015	Note	Exercise price per GL share
		As at 1 Jul 2015	Granted during the six months	Exercised during the six months	Lapsed during the six months				
Michael DeNoma	13 May 2013	25,000,000	–	–	–	25,000,000	1 & 2	\$\$0.86	
Eligible employees	13 May 2013	33,400,000	–	–	(5,500,000)	27,900,000	2	\$\$0.86	
Eligible employees	21 September 2015	–	19,500,000	–	–	19,500,000	3	\$\$0.80	
		58,400,000	19,500,000	–	(5,500,000)	72,400,000			

## SHARE OPTIONS (Cont'd)

### GL Limited (formerly known as GuocoLeisure Limited) ("GL") (Cont'd)

#### The GL Executives' Share Option Scheme 2008 (formerly known as The GuocoLeisure Limited Executives' Share Option Scheme 2008) (the "GL ESOS 2008") (Cont'd)

Notes:

1. Mr Michael DeNoma is an option holder under Rule 17.07(ii) of the Listing Rules.
2. The options that were granted on 13 May 2013 will vest in 2 tranches:
  - i. The first tranche of up to 35% of the relevant GL shares will vest at the end of the financial year ending 30 June 2016 upon achievement of applicable performance targets; and
  - ii. The second tranche of up to 65% of the relevant GL shares will vest within 3 months after the end of the financial year ending 30 June 2019 upon achievement of applicable performance targets.

Each tranche, once vested, is exercisable as follows:

- a. 40% of that tranche is exercisable within 6 months from vesting date;
  - b. 40% of that tranche is exercisable from the commencement of the 13th month to the end of the 18th month from vesting date; and
  - c. 20% of that tranche is exercisable from the commencement of the 25th month to the end of the 30th month from vesting date.
3. The options that were granted on 21 September 2015 will vest in 2 tranches:
    - i. The first tranche of up to 20% of the relevant GL shares will vest on 30 June 2016 upon achievement of applicable performance targets; and
    - ii. The second tranche of up to 80% of the relevant GL shares will vest within 3 months after 30 June 2019 on achievement of applicable performance targets.

Each tranche, once vested, is exercisable as follows:

- a. 40% of that tranche is exercisable within 6 months from vesting date;
- b. 40% of that tranche is exercisable from the commencement of the 13th month to the end of the 18th month from vesting date; and
- c. 20% of that tranche is exercisable from the commencement of the 25th month to the end of the 30th month from vesting date.

The market price per GL share immediately before the date on which the options were granted (i.e. 21 September 2015) was S\$0.80.

### GuocoLand (Malaysia) Berhad ("GLM")

#### Executive Share Scheme (the "GLM ESS")

The Executive Share Option Scheme of GLM (the "GLM ESOS") was approved by the shareholders of GLM on 11 October 2011 and further approved by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 25 November 2011. The GLM ESOS which took effect on 21 March 2012 allows the grant of options over newly issued and/or existing shares of GLM to eligible executives and/or directors of GLM and its subsidiaries (the "Eligible Participants"). It provides an opportunity for the Eligible Participants who have contributed to the growth and development of GLM and its subsidiaries to participate in the equity of GLM.

## OTHER INFORMATION

**SHARE OPTIONS (Cont'd)****GuocoLand (Malaysia) Berhad ("GLM") (Cont'd)****Executive Share Scheme (the "GLM ESS") (Cont'd)**

The shareholders of GLM and the Company had subsequently on 21 October 2013 and 19 November 2013 respectively approved the amendments to the Bye-Laws of the GLM ESOS to incorporate an executive share grant scheme (the "GLM ESGS"). While the GLM ESGS is not subject to Chapter 17 of the Listing Rules, the GLM ESOS remains in compliance with the said Listing Rules. The GLM ESGS together with the GLM ESOS have been combined and renamed as the GLM ESS.

Details of the options outstanding during the six months ended 31 December 2015 are as follows:

Grantees	Date of grant	No. of GLM shares comprised in options				As at 31 Dec 2015	Note	Exercise price per GLM share
		As at 1 Jul 2015	Granted during the six months	Exercised during the six months	Lapsed during the six months			
Tan Lee Koon	7 July 2015	-	10,000,000	-	10,000,000	-	1	RM\$1.31
		-	10,000,000	-	10,000,000	-		

Note:

- Mr Tan Lee Koon was an option holder under Rule 17.07(ii) of the Listing Rules. The option was to be vested subject to the achievement of certain performance criteria over two performance periods concluding at the end of the financial years ending 30 June 2016 and 30 June 2018 respectively. The achievement of the performance targets and the number of GLM shares (if any) to be vested were to be determined at the end of the aforesaid two financial years respectively. The exercise period of the vested option would be up to the 30th month from the respective vesting dates.

The market price per GLM share immediately before the date on which the option was granted was RM1.29.

**The Rank Group Plc ("Rank")****The Long Term Incentive Plan ("LTIP")**

The Rules of LTIP were approved by Rank's shareholders on 22 April 2010 with amendments thereto approved on 22 April 2015. It was further approved by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 24 November 2015. The LTIP is an equity-based incentive scheme pursuant to which executive directors and other senior executives of Rank and its subsidiaries may be granted awards, including, among others, options and Company Share Option Plan ("CSOP") options. Pursuant to the LTIP, the exercise of the options or CSOP options shall be satisfied through issue of new shares of Rank ("Rank Shares") and/or transfer of existing Rank Shares out of treasury or otherwise. The rules in the LTIP pertaining to the grant of options and CSOP options the exercise of which are to be satisfied by issue of new Rank Shares are subject to Chapter 17 of the Listing Rules.

No option or CSOP option had ever been granted pursuant to the LTIP up to 31 December 2015.

## OTHER INFORMATION

**DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS**

As at 31 December 2015, other than the interests and short positions of the directors of the Company disclosed above, the persons who had interests or short positions in the shares and underlying shares of 5% or more in the Company's issued share capital as recorded in the register maintained by the Company under Section 336 of the SFO are as follows:

Shareholders	Capacity	Number of shares/ underlying shares	Notes	Approx. % of the issued share capital
Hong Leong Company (Malaysia) Berhad ("HLCM")	Interest of controlled corporations	248,825,792 (Long Position)	1 & 2	75.62%
HL Holdings Sdn Bhd ("HLH")	Interest of controlled corporations	248,825,792 (Long Position)	2 & 3	75.62%
Hong Leong Investment Holdings Pte Ltd ("HLInvst")	Interest of controlled corporations	248,825,792 (Long Position)	2 & 4	75.62%
Davos Investment Holdings Private Limited ("Davos")	Interest of controlled corporations	248,825,792 (Long Position)	2 & 5	75.62%
Kwek Leng Kee ("KLK")	Interest of controlled corporations	248,825,792 (Long Position)	2 & 6	75.62%
Elliott Capital Advisors, L.P. ("ECA")	Interest of controlled corporations	29,635,716 (Long Position)	7	9.01%
First Eagle Investment Management, LLC ("FEIM")	Investment Manager	23,042,704 (Long Position)	8	7.00%
Credit Suisse Group AG ("CS")	Interest of controlled corporations	20,408,099 (Long Position) 2,084 (Short Position)	9	6.20% 0.00%

## OTHER INFORMATION

**DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS (Cont'd)**

Notes:

1. These interests comprised 240,551,792 ordinary shares of the Company and 8,274,000 underlying shares of other unlisted derivatives.

These interests comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	236,524,930
GuoLine Capital Limited ("GCL")	8,274,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	4,026,862

AFCW was wholly owned by Guoco Management Company Limited which in turn was wholly owned by the Company. The Company was 71.88% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which in turn was wholly owned by HLCM.

2. The interests of HLCM, HLH, HLIInv, Davos and KLK are duplicated.
3. HLH was deemed to be interested in these interests through its controlling interests in HLCM which was 49.27% owned by Mr Quek Leng Chan as to 2.424% under his personal name, 46.534% via HLH which was wholly owned by him and 0.311% via Newton (L) Limited.
4. HLIInv was deemed to be interested in these interests through its controlling interests of 34.69% in HLCM.
5. Davos was deemed to be interested in these interests through its controlling interests of 33.59% in HLIInv.
6. KLK was deemed to be interested in these interests through his controlling interests of 41.92% in Davos.
7. ECA was deemed to be interested in these interests comprising 19,263,215 shares held by Elliott International, L.P. ("EILP") and 10,372,501 shares held by The Liverpool Limited Partnership ("LLP"). EILP was 100% controlled by Hambledon Inc. which in turn was 100% controlled by ECA. LLP was 100% controlled by Liverpool Associates, Ltd. which in turn was 100% controlled by Elliott Associates, L.P. which was controlled by ECA.
8. FEIM was deemed to be interested in these interests held by various management accounts and funds controlled by it. The Company was subsequently notified by FEIM that, as at 31 December 2015, FEIM was deemed to be interested in 23,486,846 shares of the Company (held by various management accounts and funds controlled by it), representing approximately 7.14% of the total issued share capital of the Company.
9. These interests comprised (i) long position in 20,407,499 shares and 600 underlying shares of physically settled unlisted derivatives; and (ii) short position in 1,000 shares and 1,084 underlying shares of physically settled unlisted derivatives. Among these interests 277,600 shares (long position) and 1,084 underlying shares (short position) were directly held by Credit Suisse Securities (USA) LLC and 20,130,499 shares (long position) and 1,000 shares (short position) were directly held by Credit Suisse Securities (Europe) Limited, both indirect wholly owned subsidiaries of CS. CS was therefore deemed to be interested in these interests.

Save as disclosed above, as at 31 December 2015, the Company had not been notified by any person (other than the directors of the Company) who had interests or short positions in the shares or underlying shares of the Company of 5% or more which should be disclosed pursuant to the Part XV of the SFO or as recorded in the register maintained by the Company under Section 336 of the SFO.

## CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2015 – Unaudited

	Note	2015 US\$'000	2014 US\$'000	2015 HK\$'000 (Note 19)	2014 HK\$'000 (Note 19)
Turnover	2 & 3	<b>1,405,528</b>	2,018,438	<b>10,892,842</b>	15,653,592
Revenue	2 & 3	<b>1,260,313</b>	1,128,495	<b>9,767,426</b>	8,751,817
Cost of sales		<b>(666,918)</b>	(562,864)	<b>(5,168,615)</b>	(4,365,179)
Other attributable costs		<b>(20,370)</b>	(19,587)	<b>(157,868)</b>	(151,903)
		<b>573,025</b>	546,044	<b>4,440,943</b>	4,234,735
Other revenue	4(a)	<b>29,705</b>	32,180	<b>230,214</b>	249,566
Other net income	4(b)	<b>370,537</b>	77,358	<b>2,871,662</b>	599,934
Administrative and other operating expenses		<b>(325,228)</b>	(343,672)	<b>(2,520,517)</b>	(2,665,279)
Profit from operations before finance costs		<b>648,039</b>	311,910	<b>5,022,302</b>	2,418,956
Finance costs	2(b) & 5(a)	<b>(57,119)</b>	(74,250)	<b>(442,672)</b>	(575,831)
Profit from operations	2	<b>590,920</b>	237,660	<b>4,579,630</b>	1,843,125
Valuation surplus on investment properties		<b>3,658</b>	–	<b>28,350</b>	–
Share of profits of associates and joint ventures		<b>40,182</b>	62,215	<b>311,411</b>	482,496
Profit for the period before taxation	2 & 5	<b>634,760</b>	299,875	<b>4,919,391</b>	2,325,621
Tax expenses	6	<b>(113,830)</b>	(40,776)	<b>(882,183)</b>	(316,230)
Profit for the period		<b>520,930</b>	259,099	<b>4,037,208</b>	2,009,391
Attributable to:					
Equity shareholders of the Company		<b>326,299</b>	208,919	<b>2,528,818</b>	1,620,230
Non-controlling interests		<b>194,631</b>	50,180	<b>1,508,390</b>	389,161
Profit for the period		<b>520,930</b>	259,099	<b>4,037,208</b>	2,009,391
		<b>US\$</b>	<b>US\$</b>	<b>HK\$</b>	<b>HK\$</b>
Earnings per share					
Basic	8	<b>1.00</b>	0.64	<b>7.78</b>	4.98
Diluted	8	<b>1.00</b>	0.64	<b>7.78</b>	4.98

The notes on pages 32 to 50 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company attributable to the profit for the period are set out in note 7.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2015 – Unaudited

	2015 US\$'000	2014 US\$'000	2015 HK\$'000 (Note 19)	2014 HK\$'000 (Note 19)
<b>Profit for the period</b>	<b>520,930</b>	259,099	<b>4,037,208</b>	2,009,391
<b>Other comprehensive income for the period (after tax and reclassification adjustments)</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Actuarial losses on defined benefit obligation	(126)	(865)	(977)	(6,708)
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	(355,593)	(261,625)	(2,755,846)	(2,028,980)
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	(9,644)	16,329	(74,741)	126,636
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	(96,248)	(23)	(745,922)	(178)
Changes in fair value of cash flow hedge	(2,961)	(4,801)	(22,948)	(37,233)
Changes in fair value of available-for-sale financial assets	(277,983)	7,458	(2,154,368)	57,839
Transfer to profit or loss on disposal of available-for-sale financial assets	–	1,683	–	13,052
Release of revaluation reserve upon disposal of properties	(19)	–	(147)	–
Share of other comprehensive income of associates	11,699	(7,347)	90,667	(56,978)
	(730,749)	(248,326)	(5,663,305)	(1,925,842)
<b>Other comprehensive income for the period, net of tax</b>	<b>(730,875)</b>	(249,191)	<b>(5,664,282)</b>	(1,932,550)
<b>Total comprehensive income for the period</b>	<b>(209,945)</b>	9,908	<b>(1,627,074)</b>	76,841
<b>Total comprehensive income for the period attributable to:</b>				
Equity shareholders of the Company	(262,083)	63,471	(2,031,144)	492,238
Non-controlling interests	52,138	(53,563)	404,070	(415,397)
	(209,945)	9,908	(1,627,074)	76,841

The notes on pages 32 to 50 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

		At 31 December 2015 (Unaudited) US\$'000	At 30 June 2015 (Audited) US\$'000	At 31 December 2015 (Unaudited) HK\$'000 (Note 19)	At 30 June 2015 (Audited) HK\$'000 (Note 19)
	Note				
<b>NON-CURRENT ASSETS</b>					
Investment properties		1,887,759	1,897,367	14,630,132	14,708,484
Other property, plant and equipment	9	1,790,711	1,877,727	13,878,010	14,556,234
Interest in associates and joint ventures		937,107	947,119	7,262,579	7,342,114
Available-for-sale financial assets		1,564,097	1,778,554	12,121,752	13,787,439
Intangible assets		1,103,057	1,166,136	8,548,692	9,039,945
Goodwill		156,968	166,330	1,216,502	1,289,398
Pensions surplus		11,671	10,346	90,450	80,203
		<b>7,451,370</b>	<b>7,843,579</b>	<b>57,748,117</b>	<b>60,803,817</b>
<b>CURRENT ASSETS</b>					
Development properties	10	1,694,198	3,206,017	13,130,035	24,853,204
Properties held for sale		809,000	1,019,897	6,269,750	7,906,293
Trade and other receivables	11	456,940	714,134	3,541,285	5,536,002
Trading financial assets		1,238,095	973,865	9,595,236	7,549,450
Cash and short term funds		3,256,622	2,641,545	25,238,821	20,477,389
Assets held for sale		211,847	112,346	1,641,814	870,912
		<b>7,666,702</b>	<b>8,667,804</b>	<b>59,416,941</b>	<b>67,193,250</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	12	768,249	856,186	5,953,930	6,637,198
Bank loans and other borrowings	13	606,626	1,558,053	4,701,351	12,078,105
Taxation		145,365	143,524	1,126,579	1,112,605
Provisions and other liabilities		13,030	16,992	100,982	131,723
Liabilities held for sale		132,641	73,264	1,027,968	567,946
		<b>1,665,911</b>	<b>2,648,019</b>	<b>12,910,810</b>	<b>20,527,577</b>
<b>NET CURRENT ASSETS</b>					
		<b>6,000,791</b>	<b>6,019,785</b>	<b>46,506,131</b>	<b>46,665,673</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<b>13,452,161</b>	<b>13,863,364</b>	<b>104,254,248</b>	<b>107,469,490</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
At 31 December 2015

	Note	At 31 December 2015 (Unaudited) US\$'000	At 30 June 2015 (Audited) US\$'000	At 31 December 2015 (Unaudited) HK\$'000 (Note 19)	At 30 June 2015 (Audited) HK\$'000 (Note 19)
<b>NON-CURRENT LIABILITIES</b>					
Bank loans and other borrowings	13	4,109,021	4,132,176	31,844,913	32,032,835
Amount due to non-controlling interests		131,657	125,189	1,020,342	970,471
Provisions and other liabilities		72,851	79,748	564,595	618,210
Deferred tax liabilities		48,802	68,334	378,215	529,729
		4,362,331	4,405,447	33,808,065	34,151,245
<b>NET ASSETS</b>					
		9,089,830	9,457,917	70,446,183	73,318,245
<b>CAPITAL AND RESERVES</b>					
Share capital	14	164,526	164,526	1,275,077	1,275,414
Reserves		6,987,909	7,374,010	54,156,295	57,163,694
Total equity attributable to equity shareholders of the Company		7,152,435	7,538,536	55,431,372	58,439,108
Non-controlling interests		1,937,395	1,919,381	15,014,811	14,879,137
<b>TOTAL EQUITY</b>		9,089,830	9,457,917	70,446,183	73,318,245

The notes on pages 32 to 50 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2015 – Unaudited

	Attributable to equity shareholders of the Company														Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Capital and other reserves		Contributed surplus US\$'000	ESOS reserve US\$'000	Share option reserve US\$'000	Exchange translation reserve US\$'000	Fair value reserve US\$'000	Hedging reserve US\$'000	Revaluation reserve US\$'000	Retained profits US\$'000	Total US\$'000	Non-controlling interests US\$'000	
			reserves US\$'000	reserves US\$'000											
At 1 July 2015	164,526	10,493	72,373	2,544	(41,093)	938	32,037	480,642	(1,923)	8,726	6,809,273	7,538,536	1,919,381	9,457,917	
Profit for the period	-	-	-	-	-	-	-	-	-	-	326,299	326,299	194,631	520,930	
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	5,768	-	(12)	22	(246,521)	93	-	(187)	-	(240,837)	(114,756)	(355,593)	
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	-	-	-	-	-	-	(16,518)	-	-	-	-	(16,518)	6,874	(9,644)	
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	-	-	-	-	-	-	(62,792)	-	-	-	-	(62,792)	(33,456)	(96,248)	
Changes in fair value of cash flow hedge	-	-	-	-	-	-	-	-	(1,970)	-	-	(1,970)	(991)	(2,961)	
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(277,880)	-	-	-	(277,880)	(103)	(277,983)	
Release of revaluation reserve upon disposal of properties	-	-	-	-	-	-	-	-	-	(19)	-	(19)	-	(19)	
Actuarial losses on defined benefit obligation	-	-	-	-	-	-	-	-	-	-	(65)	(65)	(61)	(126)	
Share of other comprehensive income of associates	-	-	(703)	-	-	-	13,853	(1,913)	9	-	453	11,699	-	11,699	
Total comprehensive income for the period	-	-	5,065	-	(12)	22	(311,978)	(279,700)	(1,961)	(206)	326,687	(262,083)	52,138	(209,945)	
Transfer between reserves	-	-	16,979	-	-	-	-	-	-	-	(16,979)	-	-	-	
Equity-settled share-based transactions	-	-	-	-	-	1,217	-	-	-	-	-	1,217	1,012	2,229	
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	577	577	(1,716)	(1,139)	
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(779)	(779)	
Distribution payment for perpetual securities	-	-	-	-	-	-	-	-	-	-	-	-	(2,265)	(2,265)	
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(30,376)	(30,376)	
Final dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	-	(125,812)	(125,812)	-	(125,812)	
At 31 December 2015	164,526	10,493	94,417	2,544	(41,105)	2,177	(279,941)	200,942	(3,884)	8,520	6,993,746	7,152,435	1,937,395	9,089,830	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the six months ended 31 December 2015 – Unaudited

	Attributable to equity shareholders of the Company												Non-controlling interests	Total equity
	Share capital	Share premium	Capital and other reserves	Contributed surplus	ESOS reserve	Share option reserve	Exchange translation reserve	Fair value reserve	Revaluation reserve	Retained profits	Total			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 July 2014	164,526	10,493	4,446	2,544	(41,100)	(505)	305,788	365,298	9,035	6,436,079	7,256,604	1,911,496	9,168,100	
Profit for the period	-	-	-	-	-	-	-	-	-	208,919	208,919	50,180	259,099	
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	7,220	-	24	108	(148,660)	(256)	(234)	-	(141,798)	(119,827)	(261,625)	
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	-	-	-	-	-	-	(2,066)	-	-	-	(2,066)	18,395	16,329	
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiary	-	-	-	-	-	-	(12)	-	-	-	(12)	(11)	(23)	
Changes in fair value of cash flow hedge	-	-	-	-	-	-	-	(3,194)	-	-	(3,194)	(1,607)	(4,801)	
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	7,766	-	-	7,766	(308)	7,458	
Transfer to profit or loss on disposal of available-for-sale financial assets	-	-	-	-	-	-	-	1,649	-	-	1,649	34	1,683	
Actuarial losses on defined benefit obligation	-	-	-	-	-	-	-	-	-	(446)	(446)	(419)	(865)	
Share of other comprehensive income of associates	-	-	(23)	-	-	-	(217)	(10,074)	-	2,967	(7,347)	-	(7,347)	
Total comprehensive income for the period	-	-	7,197	-	24	108	(150,955)	(4,109)	(234)	211,440	63,471	(53,563)	9,908	
Transfer between reserves	-	-	18,665	-	-	-	-	-	-	(18,665)	-	-	-	
Equity-settled share-based transactions	-	-	-	-	-	203	-	-	-	-	203	109	312	
Purchase of own shares for share option scheme by a subsidiary	-	-	(2,633)	-	-	-	-	-	-	-	(2,633)	(1,324)	(3,957)	
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	5,907	5,907	
Distribution payment for perpetual securities	-	-	-	-	-	-	-	-	-	-	-	(2,422)	(2,422)	
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(29,431)	(29,431)	
Final dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	(125,792)	(125,792)	-	(125,792)	
At 31 December 2014	164,526	10,493	27,675	2,544	(41,076)	(194)	154,833	361,189	8,801	6,503,062	7,191,853	1,830,772	9,022,625	

The notes on pages 32 to 50 form part of this interim financial report.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2015 – Unaudited

	2015 US\$'000	2014 US\$'000
Net cash generated from operating activities	256,743	991,322
Net cash generated from/(used in) investing activities	1,318,899	(120,651)
Net cash (used in)/generated from financing activities	(683,417)	59,123
Net increase in cash and cash equivalents	892,225	929,794
Cash and cash equivalents at 1 July	2,378,203	1,531,983
Effect of foreign exchange rate changes	7,332	(37,944)
Cash and cash equivalents at 31 December	3,277,760	2,423,833
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and short term funds in the consolidated statement of financial position	3,256,622	2,695,889
Cash collateral	–	(272,056)
Cash and cash equivalents of disposal groups classified as held for sale	21,138	–
Cash and cash equivalents in the condensed consolidated statement of cash flows	3,277,760	2,423,833

### Cash flows from investing activities

Included in the cash flows from investing activities for the six months ended 31 December 2015 was a US\$1,516.6 million proceed (net of cash disposed of) from disposal of subsidiaries in respect of the disposal of all the equity, contractual and loan interest of GuocoLand (China) Limited in or relating to an integrated property development located in Dongzhimen, Beijing, China completed during the period, resulting in a gain of US\$412.5 million recognised in other net income in note 4(b) to the financial statements.

Included in the cash flows from investing activities for the six months ended 31 December 2014 was a US\$9.1 million payment (net of cash acquired) for acquisition of 10.66% additional interest in a Malaysian subsidiary, Continental Estates Sdn Bhd (“Continental Estates”) completed during the period. Provisional fair values of Continental Estates’ identifiable assets acquired and liabilities assumed have been recognised for the purpose of consolidation at 31 December 2014.

The notes on pages 32 to 50 form part of this interim financial report.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

### 1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2014/15 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015/16 annual financial statements.

The Group has adopted all new or revised Hong Kong Financial Reporting Standards (“HKFRSs”), which term collectively includes HKASs and Interpretations, issued by the HKICPA that are mandatory for application for the current accounting period of the Group. The adoption of the new standards, amendments to standards and interpretations that are relevant to the Group had no material impact on the results and financial position of the Group.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2014/15 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited. The financial information relating to the financial year ended 30 June 2015 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 30 June 2015 can be obtained on request at the Group Company Secretariat, 50/F The Center, 99 Queen’s Road Central, Hong Kong, or from the Company’s website <http://www.guoco.com>. The auditors expressed an unqualified opinion on those financial statements in their report dated 28 August 2015.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**2. SEGMENT REPORTING**

In a manner consistent with the way in which information is reported internally to the Group's senior executive management for the purposes of resource allocation and performance assessment, the Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units engage in different business activities, offer different products and services and are managed separately. The following summary describes the operations in each segment:

Segment	Business activities	Operated by
Principal investment:	This segment covers equity and direct investments as well as treasury operations, with trading and strategic investments in global capital markets.	Subsidiaries
Property development and investment:	This segment involves development of residential and commercial properties and holding properties for rental income in the key geographical markets of Singapore, China, Malaysia, Vietnam and Hong Kong.	Subsidiaries
Hospitality and leisure:	This segment owns, leases or manages hotels and operates gaming and leisure businesses in the United Kingdom, Spain and Belgium.	Subsidiaries
Financial services:	This segment covers commercial and consumer banking, Islamic banking, investment banking, life and general insurance, Takaful insurance, fund management and unit trust, stock and commodities broking, bullion trading and corporate advisory services.	Subsidiaries and associate
Oil and gas:	This segment receives royalty income from the entitlement of Bass Strait oil trust in Australia.	Subsidiary

Performance is evaluated on the basis of profit or loss from operations before taxation. Inter-segment pricing is determined on an arm's length basis. The Group's measurement methods used to determine reported segment profit or loss remain unchanged from the financial year 2014/15.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**2. SEGMENT REPORTING (Cont'd)**

Information regarding the Group's reportable segments for the purposes of resource allocation and assessment of segment performance for the period is set out below.

**(a) Reportable segment revenue and profit or loss (unaudited)**

	Principal investment US\$'000	Property development and investment US\$'000	Hospitality and leisure US\$'000	Financial services US\$'000	Oil and gas US\$'000	Total US\$'000
<b>For the six months ended 31 December 2015</b>						
Turnover	194,571	450,220	757,012	3,725	–	1,405,528
Revenue from external customers	49,356	450,220	757,012	3,725	–	1,260,313
Inter-segment revenue	2,278	678	–	334	–	3,290
Reportable segment revenue	51,634	450,898	757,012	4,059	–	1,263,603
Operating profit/(loss)	(24,838)	537,148	126,764	(346)	10,507	649,235
Finance costs	(19,829)	(25,460)	(12,409)	(617)	–	(58,315)
Valuation surplus on investment properties	–	3,658	–	–	–	3,658
Share of profits of associates and joint ventures	–	1,119	–	39,063	–	40,182
Profit/(loss) before taxation	(44,667)	516,465	114,355	38,100	10,507	634,760
<b>For the six months ended 31 December 2014</b>						
Turnover	947,793	291,859	774,217	4,569	–	2,018,438
Revenue from external customers	57,850	291,859	774,217	4,569	–	1,128,495
Inter-segment revenue	1,562	515	778	572	–	3,427
Reportable segment revenue	59,412	292,374	774,995	5,141	–	1,131,922
Operating profit	122,245	66,774	101,595	799	21,664	313,077
Finance costs	(21,850)	(26,538)	(26,040)	(795)	(194)	(75,417)
Share of profits/(losses) of associates and joint ventures	–	(614)	–	62,829	–	62,215
Profit before taxation	100,395	39,622	75,555	62,833	21,470	299,875

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**2. SEGMENT REPORTING (Cont'd)****(b) Reconciliations of reportable segment revenue and finance costs (unaudited)**

## Revenue

	Six months ended 31 December	
	2015 US\$'000	2014 US\$'000
Reportable segment revenue	<b>1,263,603</b>	1,131,922
Elimination of inter-segment revenue	<b>(3,290)</b>	(3,427)
Consolidated revenue (note 3)	<b>1,260,313</b>	1,128,495

## Finance costs

	Six months ended 31 December	
	2015 US\$'000	2014 US\$'000
Reportable finance costs	<b>58,315</b>	75,417
Elimination of inter-segment finance costs	<b>(1,196)</b>	(1,167)
Consolidated finance costs (note 5(a))	<b>57,119</b>	74,250

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**2. SEGMENT REPORTING (Cont'd)****(c) Geographical information (unaudited)**

The following table illustrates the geographical location of the Group's revenue from external customers and profit/(loss) from operations. The geographical information is classified by reference to the location of the income generating entities.

	Revenue from external customers		Profit/(loss) from operations	
	Six months ended 31 December		Six months ended 31 December	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
The People's Republic of China				
– Hong Kong	<b>53,341</b>	62,943	<b>(46,640)</b>	100,467
– Mainland China	<b>174,362</b>	166,021	<b>471,162</b>	28,102
United Kingdom and Continental Europe	<b>743,776</b>	754,900	<b>114,737</b>	78,772
Singapore	<b>233,813</b>	128,241	(Note) <b>26,908</b>	14,084
Australasia and others	<b>55,021</b>	16,390	<b>24,753</b>	16,235
	<b>1,260,313</b>	1,128,495	<b>590,920</b>	237,660

Note:

In accordance with applicable Hong Kong Financial Reporting Standards, at Group level, revenue arising from the sale of properties has been recognised upon completion of development projects instead of the percentage of completion method adopted by GuocoLand Limited ("GuocoLand") for residential projects under progressive payment schemes in Singapore.

GuocoLand has adopted the Singapore Interpretation of Financial Reporting Standard No. 115 Agreements for the Construction of Real Estate and the accompanying practice note issued specifically in the context of the sale of development properties in Singapore. Consequently, GuocoLand continues to adopt the percentage of completion method of revenue recognition for residential projects under progressive payment schemes in Singapore. For residential projects under deferred payment schemes in Singapore and overseas, the revenue and expenses are accounted for under the completion of construction method.

Accordingly, operating profits of GuocoLand for the period amounting to US\$5.7 million (2014: US\$38.7 million) in Singapore have been deferred for recognition in the consolidated financial statements. The Group has not recognised any operating profits of GuocoLand for the period (2014: Nil) which have been deferred in previous years. Up to 31 December 2015, accumulated operating profits of GuocoLand totalling US\$7.8 million (2014: US\$106.6 million) in Singapore have been deferred for recognition, and will be recognised by the Group upon completion of the relevant development projects in subsequent years.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**3. TURNOVER AND REVENUE**

An analysis of the amount of each significant category of turnover and revenue from principal activities during the period is as follows:

	Six months ended 31 December	
	2015 (Unaudited) US\$'000	2014 (Unaudited) US\$'000
Revenue from sale of properties	435,779	275,991
Revenue from hospitality and leisure	756,317	770,560
Interest income	16,071	23,454
Dividend income from listed securities	41,047	44,010
Rental income from properties	7,280	9,026
Securities commission and brokerage	1,979	2,352
Others	1,840	3,102
Revenue	1,260,313	1,128,495
Proceeds from sale of investments in securities	145,215	889,943
Turnover	1,405,528	2,018,438

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**4. OTHER REVENUE AND NET INCOME****(a) Other revenue**

	Six months ended 31 December	
	2015 (Unaudited) US\$'000	2014 (Unaudited) US\$'000
Sublease income	3,039	2,913
Bass Strait oil and gas royalty	12,235	23,559
Hotel management fee	514	3,617
Others	13,917	2,091
	<b>29,705</b>	<b>32,180</b>

**(b) Other net income**

	Six months ended 31 December	
	2015 (Unaudited) US\$'000	2014 (Unaudited) US\$'000
Net realised and unrealised (losses)/gains on trading financial assets	(66,631)	72,621
Net realised and unrealised gains/(losses) on derivative financial instruments	157	(1,316)
Net realised gains on disposal of available-for-sale financial assets	–	4,813
Net gains on foreign exchange contracts	16,604	10,138
Other exchange losses	(2,397)	(9,951)
Net gains on disposal of property, plant and equipment	9,307	196
Gain/(loss) on disposal of subsidiaries	412,538	(597)
Other income	959	1,454
	<b>370,537</b>	<b>77,358</b>

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**5. PROFIT FOR THE PERIOD BEFORE TAXATION**

Profit for the period before taxation is arrived at after charging/(crediting):

**(a) Finance costs**

	Six months ended 31 December	
	2015 (Unaudited) US\$'000	2014 (Unaudited) US\$'000
Interest on bank advances and other borrowings wholly repayable within five years	83,475	110,754
Other borrowing costs	11,478	8,557
<b>Total borrowing costs</b>	<b>94,953</b>	<b>119,311</b>
Less: borrowing costs capitalised into:		
– development properties	(12,559)	(25,314)
– investment properties	(22,616)	(2,039)
– other property, plant and equipment	(2,659)	(17,708)
<b>Total borrowing costs capitalised (Note)</b>	<b>(37,834)</b>	<b>(45,061)</b>
	<b>57,119</b>	<b>74,250</b>

Note:

These borrowing costs have been capitalised at rates of 2.06% to 8.00% per annum (2014: 1.11% to 7.56%).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**5. PROFIT FOR THE PERIOD BEFORE TAXATION (Cont'd)****(b) Staff cost**

	Six months ended 31 December	
	2015 (Unaudited) US\$'000	2014 (Unaudited) US\$'000
Contributions to defined contribution retirement plans	5,745	6,550
Expenses recognised in respect of defined benefit retirement plans	113	154
Total retirement costs	5,858	6,704
Equity-settled share-based payment expenses	2,248	385
Salaries, wages and other benefits	234,101	244,036
	242,207	251,125

**(c) Other items**

	Six months ended 31 December	
	2015 (Unaudited) US\$'000	2014 (Unaudited) US\$'000
Depreciation	43,595	45,485
Amortisation		
– casino licences and brand names	730	726
– Bass Strait oil and gas royalty	1,542	1,895
– other intangible assets	5,511	3,999
Gross rental income from investment properties	(7,280)	(9,026)
Less: direct outgoings	2,581	2,499
Net rental income	(4,699)	(6,527)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**6. TAX EXPENSES**

Tax expenses/(credit) in the consolidated income statement represent:

	Six months ended 31 December	
	2015 (Unaudited) US\$'000	2014 (Unaudited) US\$'000
Current tax – Hong Kong Profits Tax	465	17,143
Current tax – Overseas	121,382	15,770
Deferred taxation	(8,017)	7,863
	<b>113,830</b>	40,776

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2014: 16.5%) to the profits for the six months ended 31 December 2015. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.

**7. DIVIDENDS**

	Six months ended 31 December	
	2015 (Unaudited) US\$'000	2014 (Unaudited) US\$'000
Dividends payable/paid in respect of the current year:		
– Interim dividend declared of HK\$1.00 (2014: HK\$1.00) per ordinary share	42,458	42,429
Dividends paid in respect of the prior year:		
– Final dividend of HK\$3.00 (2014: HK\$3.00) per ordinary share	125,812	125,792

The interim dividend declared for the year ending 30 June 2016 of US\$42,458,000 (2015: US\$42,429,000) is calculated based on 329,051,373 ordinary shares (2014: 329,051,373 ordinary shares) in issue at 31 December 2015.

The interim dividend declared after the interim period has not been recognised as a liability at the end of the interim reporting period in the accounts.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**8. EARNINGS PER SHARE****(a) Basic earnings per share**

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of US\$326,299,000 (2014: US\$208,919,000) and the weighted average number of 325,024,511 ordinary shares (2014: 325,024,511 ordinary shares) in issue during the period.

**(b) Diluted earnings per share**

For the six months ended 31 December 2015 and 2014, the diluted earnings per share equalled the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the periods.

**9. OTHER PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 31 December 2015, the Group acquired items of property, plant and equipment with a cost of US\$64,626,000 (2014: US\$57,894,000). The Group disposed of items of property, plant and equipment with a net book value of US\$1,165,000 during the six months ended 31 December 2015 (2014: US\$1,590,000).

**10. DEVELOPMENT PROPERTIES**

	At 31 December 2015 (Unaudited) US\$'000	At 30 June 2015 (Audited) US\$'000
Cost	<b>1,870,423</b>	4,452,968
Add: Additions through acquisition of subsidiary	–	85,395
Less: Impairment loss	<b>(6,190)</b>	(7,085)
Progress instalments received and receivable	<b>(99,852)</b>	(519,417)
Transfer to properties held for sale	<b>(70,007)</b>	(805,398)
Transfer to other property, plant and equipment	<b>(176)</b>	–
Transfer to investment properties	–	(446)
	<b>1,694,198</b>	3,206,017

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**11. TRADE AND OTHER RECEIVABLES**

	At 31 December 2015 (Unaudited) US\$'000	At 30 June 2015 (Audited) US\$'000
Trade debtors	<b>70,200</b>	228,967
Accrued receivables for sales consideration not yet billed on completed development properties	<b>120,753</b>	273,799
Other receivables, deposits and prepayments	<b>232,824</b>	178,868
Derivative financial instruments, at fair value	<b>29,973</b>	28,291
Interest receivables	<b>3,190</b>	4,209
	<b>456,940</b>	714,134

Included in trade and other receivables is US\$104.4 million (30 June 2015: US\$11.7 million) which is expected to be recovered after one year.

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	At 31 December 2015 (Unaudited) US\$'000	At 30 June 2015 (Audited) US\$'000
Within 1 month	<b>62,212</b>	226,664
1 to 3 months	<b>6,553</b>	1,451
More than 3 months	<b>1,435</b>	852
	<b>70,200</b>	228,967

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**12. TRADE AND OTHER PAYABLES**

	At 31 December 2015 (Unaudited) US\$'000	At 30 June 2015 (Audited) US\$'000
Trade creditors	<b>74,083</b>	114,748
Other payables and accrued operating expenses	<b>646,386</b>	697,461
Derivative financial instruments, at fair value	<b>26,883</b>	26,976
Amounts due to fellow subsidiaries	<b>20,865</b>	16,952
Amounts due to associates	<b>32</b>	49
	<b>768,249</b>	856,186

Included in trade and other payables is US\$117.2 million (30 June 2015: US\$121.7 million) which is expected to be payable after one year.

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	At 31 December 2015 (Unaudited) US\$'000	At 30 June 2015 (Audited) US\$'000
Within 1 month	<b>64,835</b>	87,534
1 to 3 months	<b>2,788</b>	9,637
More than 3 months	<b>6,460</b>	17,577
	<b>74,083</b>	114,748

The amounts due to fellow subsidiaries and associates are unsecured, interest free and have no fixed repayment terms.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**13. BANK LOANS AND OTHER BORROWINGS**

	At 31 December 2015 (Unaudited)			At 30 June 2015 (Audited)		
	Current portion US\$'000	Non-current portion US\$'000	Total US\$'000	Current portion US\$'000	Non-current portion US\$'000	Total US\$'000
Bank loans						
– Secured	79,990	1,798,545	1,878,535	788,431	1,585,738	2,374,169
– Unsecured	200,016	1,167,551	1,367,567	517,756	1,237,657	1,755,413
	280,006	2,966,096	3,246,102	1,306,187	2,823,395	4,129,582
Unsecured other loans	2,611	12,560	15,171	4,765	13,780	18,545
Unsecured medium term notes and bonds	324,009	1,044,696	1,368,705	247,101	1,203,476	1,450,577
Secured mortgage debenture stock	–	85,669	85,669	–	91,525	91,525
	606,626	4,109,021	4,715,647	1,558,053	4,132,176	5,690,229

**14. SHARE CAPITAL**

	At 31 December 2015 (Unaudited)		At 30 June 2015 (Audited)	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
Authorised:				
Ordinary shares of US\$0.50 each	1,000,000	500,000	1,000,000	500,000
Issued and fully paid	329,051	164,526	329,051	164,526

Note: As at 31 December 2015, 4,026,862 ordinary shares (30 June 2015: 4,026,862 ordinary shares) were acquired by the Group to reserve for the executive share option scheme for the purpose of satisfying the exercise of share options to be granted to eligible employees.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS****(a) Financial assets and liabilities measured at fair value****(i) Fair value hierarchy**

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	At 31 December 2015 (Unaudited)				At 30 June 2015 (Audited)			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>Recurring fair value measurements</b>								
<b>Assets</b>								
Available-for-sale financial assets:								
– Listed	1,506,501	–	–	1,506,501	1,731,420	–	–	1,731,420
– Unlisted	–	23,100	34,496	57,596	–	29,100	18,034	47,134
Trading financial assets:								
– Listed	1,214,801	23,294	–	1,238,095	950,440	23,425	–	973,865
Derivative financial instruments:								
– Interest rate swaps	–	214	–	214	–	–	–	–
– Forward exchange contracts	–	29,516	–	29,516	–	28,137	–	28,137
– Currency options	–	243	–	243	–	154	–	154
	<b>2,721,302</b>	<b>76,367</b>	<b>34,496</b>	<b>2,832,165</b>	<b>2,681,860</b>	<b>80,816</b>	<b>18,034</b>	<b>2,780,710</b>
<b>Liabilities</b>								
Derivative financial instruments:								
– Interest rate swaps	–	5,909	–	5,909	–	3,334	–	3,334
– Forward exchange contracts	–	20,210	–	20,210	–	23,274	–	23,274
– Equity options	–	764	–	764	–	368	–	368
	<b>–</b>	<b>26,883</b>	<b>–</b>	<b>26,883</b>	<b>–</b>	<b>26,976</b>	<b>–</b>	<b>26,976</b>

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Cont'd)****(a) Financial assets and liabilities measured at fair value (Cont'd)****(i) Fair value hierarchy (Cont'd)**

During the six months ended 31 December 2015, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2014: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

**(ii) Valuation techniques and inputs used in Level 2 fair value measurements**

The fair value of forward exchange contracts is determined based on quotes from market makers or alternative market participants supported by observable inputs including spot and forward exchange rates. The fair value of other derivative financial instruments is determined based on the amount that the Group would receive or pay to terminate the contracts with the independent counterparties at the end of the reporting period, taking into account current observable inputs. The fair value of the unlisted available-for-sale financial asset in Level 2 is determined using a valuation technique based on the net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the unlisted available-for-sale financial asset. The assets held by the unlisted available-for-sale financial asset consist of a publicly traded investment in an active market which is reported at the market closing price.

**(iii) Information about Level 3 fair value measurements**

Other unlisted available-for-sale financial assets carried at fair value are categorised within Level 3 of the fair value hierarchy. The fair values are determined using a valuation technique or based on the net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the investee fund.

The movements during the period in the balance of Level 3 fair value measurements are as follows:

	At 31 December 2015 (Unaudited) US\$'000	At 31 December 2014 (Unaudited) US\$'000
Unlisted available-for-sale financial assets:		
At 1 July	<b>18,034</b>	3,631
Payment for purchases	<b>17,009</b>	–
Net unrealised losses recognised in other comprehensive income during the period	<b>(13)</b>	(2)
Redemption of cost	<b>(284)</b>	–
Transfer to assets held for sale	<b>(259)</b>	–
Exchange adjustments	<b>9</b>	(1)
At 31 December	<b>34,496</b>	3,628
Total gains or losses for the period reclassified from consolidated other comprehensive income on disposal	–	–

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Cont'd)****(a) Financial assets and liabilities measured at fair value (Cont'd)****(iii) Information about Level 3 fair value measurements (Cont'd)**

The gains or losses arising from the disposal of the unlisted available-for-sale financial assets are presented in "other net income" in the consolidated income statement. The net unrealised gains arising from the remeasurement of the unlisted available-for-sale financial assets are recognised in fair value reserve in other comprehensive income.

**(b) Fair value of financial assets and liabilities carried at other than fair value**

Other than for the mortgage debenture stock, the carrying amounts of the financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2015 and 30 June 2015.

The fair value of the mortgage debenture stock at 31 December 2015 is estimated to be US\$110.5 million (30 June 2015: US\$122.5 million) and is classified within Level 3 of the fair value hierarchy. The interest rate used to discount estimated cash flows at the reporting date was 1.5% (30 June 2015: 1.7%).

**16. CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE FINANCIAL STATEMENTS**

	At 31 December 2015 (Unaudited) US\$'000	At 30 June 2015 (Audited) US\$'000
Authorised and contracted for	40,281	13,923
Authorised but not contracted for	21,796	35,460
	<b>62,077</b>	49,383

At 31 December 2015, the commitment in respect of development expenditure contracted but not provided for in the financial statements by the Group was US\$528.4 million (30 June 2015: US\$517.9 million).

**17. CONTINGENT LIABILITIES****Rank****Property leases**

Concurrent to the GBP211 million (approximately US\$313 million) sale and leaseback in 2006, Rank transferred the rights and obligations but not the legal titles of 44 property leases to a third party. Rank remains potentially liable in the event of default by the third party. Should default occur then Rank would have recourse to two guarantors. It is understood that, of the original 44 leases transferred, 11 of these have not expired or been surrendered. These 11 leases have durations of between 11 months and 97.5 years and a current annual rental obligation (net of sub-let income) of approximately GBP1.1 million (approximately US\$1.6 million).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**17. CONTINGENT LIABILITIES (Cont'd)****Rank (Cont'd)****Property leases (Cont'd)**

During a prior year, Rank became aware of certain information in respect of a deterioration in the financial position of the third party and one of the guarantors. However, Rank has not to date been notified of any default, or intention to default, in respect of the transferred leases.

**Stamp duty**

Rank has received a determination from HM Revenue & Customs ("HMRC") in respect of the amount of stamp duty payable on certain transactions undertaken by Gala Casino 1 Limited (now Grosvenor Casinos (GC) Limited) before its acquisition by Rank on 12 May 2013. The maximum potential additional stamp duty that could be due if HMRC are successful is GBP7.2 million (approximately US\$10.7 million) plus interest. Under the terms of the Sale and Purchase Agreement any liability arising falls upon Gala Coral and Rank has an indemnification from Gala Coral.

**18. MATERIAL RELATED PARTY TRANSACTIONS****(a) Banking transactions**

Transactions with companies in the Hong Leong Company (Malaysia) Berhad Group ("HLCM"):

During the period, the Group entered into a number of transactions in the normal course of business with companies in the HLCM group including deposits and correspondent banking transactions. The transactions were priced based on the relevant market rates at the time of each transaction, and were under the same terms as those available to the independent counterparties and customers.

Information relating to interest income from these transactions during the period and balance outstanding at the end of the reporting period is set out below:

**(i) Income**

	Six months ended 31 December	
	2015 (Unaudited) US\$'000	2014 (Unaudited) US\$'000
Interest income	402	526

**(ii) Balance**

	At 31 December 2015 (Unaudited) US\$'000	At 30 June 2015 (Audited) US\$'000
Cash and short term funds	42,607	28,560

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**18. MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)****(b) Management fee**

On 2 July 2014, the Company renewed its master services agreement with GOMC Limited ("GOMC") and GuoLine Group Management Co. Limited ("GGMC"), subsidiaries of HLCCM, for provision by GOMC or GGMC of management services to the Company and/or its subsidiaries (excluding those subsidiaries which are from time to time incorporated, resident or having principal place of business in Malaysia (the "Malaysian Subsidiaries")), for a term of 3 years from 1 July 2014 to 30 June 2017. Total amount paid or provided for in respect of management fees to GOMC and GGMC for the six months ended 31 December 2015 amounted to US\$446,000 (2014: US\$3,387,000) and US\$14,763,000 (2014: US\$4,302,000) respectively.

On 2 July 2014, the Company renewed its master services agreement with HL Management Co Sdn Bhd ("HLMC"), a subsidiary of HLCCM, for the provision of management services to the Malaysian Subsidiaries of the Company for a term of 3 years from 1 July 2014 to 30 June 2017. Total amount paid or provided for in respect of management fees to HLMC for the six months ended 31 December 2015 amounted to US\$201,000 (2014: US\$182,000).

**19. HONG KONG DOLLAR AMOUNTS**

The Hong Kong dollar figures shown in the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of financial position are for information only. The Company's functional currency is United States dollar. The Hong Kong dollar figures are translated from United States dollar at the rates ruling at the respective financial period ends.

**20. REVIEW BY BOARD AUDIT AND RISK MANAGEMENT COMMITTEE**

The unaudited interim results for the six months ended 31 December 2015 have been reviewed by the Board Audit and Risk Management Committee of the Company. The information in these interim results does not constitute statutory accounts.