2007

ANNUAL REPORT

國浩集團有限公司

Guoco Group Limited

A Member of the Hong Leong Group Malaysia

(Stock Code: 53)

Corporate Information

Board of Directors

Quek Leng Chan — *Executive Chairman*
Kwek Leng Hai — *President, CEO*
Sat Pal Khattar **
Kwek Leng San*
Tan Lim Heng
James Eng, Jr.
Volker Stoeckel **
Ding Wai Chuen**

* *Non-executive director*
** *Independent non-executive director*

Board Audit Committee

Sat Pal Khattar — *Chairman*
Volker Stoeckel
Ding Wai Chuen

Board Remuneration Committee

Quek Leng Chan — *Chairman*
Volker Stoeckel
Ding Wai Chuen

Qualified Accountant

Allan Tsang Cho Tai

Company Secretary

Stella Lo Sze Man

Place of Incorporation

Bermuda

Registered Office

Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

Principal Office

50th Floor, The Center
99 Queen's Road Central
Hong Kong

Telephone : (852) 2283 8833
Fax : (852) 2285 3233
Website : http://www.guoco.com

Branch Share Registrars

Computershare Hong Kong
Investor Services Limited
Shops 1712–16
17th Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

Financial Calendar

Annual results announcement	14 September 2007
Closure of Register of Members	20 November 2007 to 23 November 2007
Annual General Meeting	23 November 2007
Final dividend of HK$3.30 per share payable on	29 November 2007

Interim results announcement	23 March 2007
Closure of Register of Members	10 April 2007 to 13 April 2007
Interim dividend of HK$1.00 per share paid on	16 April 2007

Contents

Corporate Profile

Proprietary Asset Management

We have built our Proprietary Asset Management into a core business with a team of well-trained and experienced investment professionals covering equity and direct investments as well as treasury operations. Ongoing resources are allocated to enhance our investment infrastructure. This includes synergistic analytical tools, risk management system, as well as management information system to facilitate the growth of our Proprietary Asset Management activities.

Our portfolio and strategic investments cover global capital markets, and we invest in business and industries where our management knowledge and competencies can enhance creation of capital value in line with Guoco's vision to achieve superior long-term sustainable returns for shareholders.

Guoco Group Limited ("Guoco") (Stock Code: 53), listed on The Stock Exchange of Hong Kong Limited, is an investment holding and investment management company with the vision of achieving long term sustainable returns for its shareholders and creating prime capital value.


Artist's Impression — Damansara Heights, Malaysia

Property Development and Investment

GuocoLand Limited ("GLL") is the Group's property arm listed in Singapore. This 64% owned subsidiary is a major property development and investment company based in Singapore with operations in the key geographical markets of Singapore, China, Malaysia and Vietnam. GLL had developed and sold 25 residential projects in Singapore, producing more than 7,400 apartments and houses. In China, GLL has established a strong presence and built a solid portfolio of quality assets with a landbank of approximately 2 million square metres in the major cities of Beijing, Shanghai, Nanjing and Tianjin.

In Malaysia, GLL has established an embedded property operation via its Malaysia listed subsidiary, GuocoLand (Malaysia) Berhad ("GLM"). The property portfolio held by the GLM Group and its associated companies includes prime office properties and approximately 12,000 acres of land for residential and township development.

Hospitality and Leisure Business

BIL International Limited ("BIL") is the Group's 59% subsidiary in the Hospitality and Leisure Business. It is primarily listed on the Main Board of Singapore Exchange Securities Trading Limited with secondary listings on the London and New Zealand Exchanges. BIL's core operating assets include Guoman Hotels Group (formerly known as Thistle Hotels Group) and Clermont Leisure (UK) Limited ("Clermont Leisure") in the United Kingdom and other investment projects including development properties of approximately 60,000 acres of land on the island of Molokai in Hawaii; and resort and development properties of approximately 650 acres in Denarau, Fiji.

Guoman Hotels Group owns, leases or manages 39 hotels (8,700 rooms) in the United Kingdom under 2 brands, the five-star Guoman brand which now consists of 6 major Central London Landmark hotels with over 3,300 rooms, and the upper four-star Thistle brand in 33 properties in London and the provinces. It is one of the largest full service hotel operators in London with approximately 5,900 bedrooms and 158 meeting rooms.

Clermont Leisure is a licensed operator of gaming business in the United Kingdom. It now has 4 gaming licences approved by the UK Gambling Commission including the prestigious Clermont Club in Mayfair, London. Clermont Leisure also has other gaming licence applications in progress. It intends to operate a number of integrated gaming locations in select Guoman and Thistle hotels and other standalone gaming sites in the United Kingdom.

Guoco's operating subsidiary companies and investment activities are principally located in Hong Kong, China, Singapore, Malaysia, Vietnam and the United Kingdom. Guoco has four core businesses, namely, Proprietary Asset Management; Property Development and Investment; Hospitality and Leisure Business; and Financial Services.

Financial Services

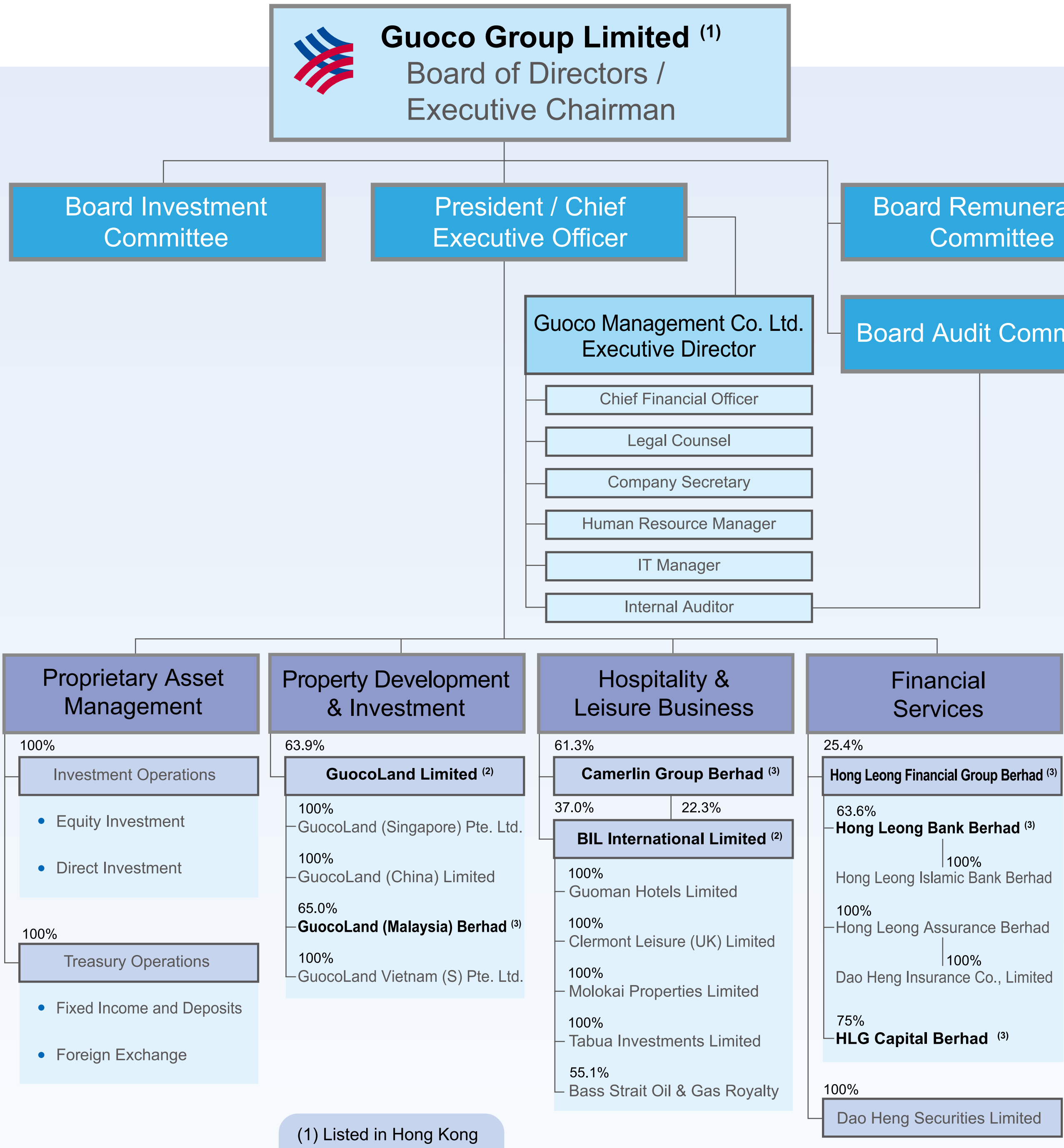
Hong Leong Financial Group Berhad ("HLFG"), the Group's associated company, is an integrated financial services group listed in Malaysia. Its businesses cover commercial and consumer banking, investment banking, Islamic banking and takaful, life and general insurance, fund management, corporate advisory services, futures broking and stockbroking. HLFG's main subsidiaries comprise Hong Leong Bank Berhad (listed in Malaysia) which has 186 branches in Malaysia with overseas branches in Singapore and Hong Kong, Hong Leong Islamic Bank Berhad and Hong Leong Tokio Marine Takaful Berhad, Hong Leong Assurance Berhad (a long established life and general insurance company) and HLG Capital Berhad (a stockbroking, futures broking, corporate advisory and asset management group listed in Malaysia).

Currently, the HLFG Group employs over 7,000 employees to deliver quality and competitive financial products and services to customers in Malaysia, Singapore and Hong Kong.

The Group also operates stock and futures broking and corporate advisory business in Hong Kong through its wholly-owned subsidiaries, Dao Heng Securities Limited and Dao Heng Commodities Limited.

Management Organisation Chart

(As at 14 September 2007)



(1) Listed in Hong Kong
(2) Listed in Singapore
(3) Listed in Malaysia

Websites:
– Guoco Group Limited (http://www.guoco.com)
– GuocoLand Limited (http://www.guocoland.com.sg)
– GuocoLand (Malaysia) Berhad (http://www.mystorey.com)
– BIL International Limited (http://www.bilgroup.com)
– Guoman Hotels Limited (http://www.guoman.com) (http://www.thistlehotels.com)
– Molokai Properties Limited (http://www.molokairanch.com)
– Tabua Investments Limited (http://www.denarau.com)
– Hong Leong Bank Berhad (http://www.hlb.com.my)
– Hong Leong Islamic Bank Berhad (http://www.hlib.com.my)
– Hong Leong Assurance Berhad (http://www.hla.com.my)
– Dao Heng Insurance Co., Limited (http://www.daohenginsurance.com)
– HLG Capital Berhad (http://www.hlgcap.com.my)
– Dao Heng Securities Limited (http://www.dhsec.com)

Biographical Details of Directors and Senior Management

Quek Leng Chan, aged 64, has been the Executive Chairman of Guoco Group Limited ("Guoco") since 1990. Mr Quek is the Chairman & Chief Executive Officer of Hong Leong Company (Malaysia) Berhad ("HLCM"), the ultimate holding company of Guoco, and he sits on the boards of directors of the major public listed companies of HLCM. Mr Quek qualified as a Barrister-at-Law from Middle Temple, United Kingdom and has extensive business experience in various business sectors including financial services, manufacturing and real estate. Mr Quek is also the Chairman of HL Holdings Sdn Bhd. He is a brother of Messrs Kwek Leng Hai and Kwek Leng San.

Kwek Leng Hai, aged 54, is the President, CEO of Guoco and has been an Executive Director of Guoco since 1990. He is also a director of the Group's key subsidiaries and associated companies including GuocoLand Limited ("GLL"), Camerlin Group Berhad, BIL International Limited and Hong Leong Bank Berhad. He also serves as the Chairman of Lam Soon (Hong Kong) Limited. Mr Kwek qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales. Mr Kwek is also a director of HLCM. He is a brother of Messrs Quek Leng Chan and Kwek Leng San.

Sat Pal Khattar, aged 64, has been an Independent Non-executive Director of Guoco since 1991. He is also the Chairman of GLL, a subsidiary of Guoco in Singapore, and holds directorships in other public and private companies in Singapore and elsewhere. Mr Khattar obtained a LLM degree and a LLB (Hons) degree from the University of Singapore. He now chairs Khattar Holdings Pte Ltd, an investment group based in Singapore.

Kwek Leng San, aged 52, has been a Non-executive Director of Guoco since 1990. He is the President and CEO of Hong Leong Industries Berhad, a member of the Hong Leong Group Malaysia. He holds a Bachelor of Science degree in engineering and a Master of Science degree in finance. Mr Kwek is also a director of HLCM. He is a brother of Messrs Quek Leng Chan and Kwek Leng Hai.

Tan Lim Heng, aged 59, joined Dao Heng Securities Limited and Dao Heng Commodities Limited, wholly owned subsidiaries of Guoco, as the Managing Director in 1990, and has been an Executive Director of Guoco since 1996. He also serves as a non-executive director of Lam Soon (Hong Kong) Limited. Mr Tan holds a Bachelor of Science first class honours degree in engineering from University of Surrey and a Master of Science degree in management from Massachusetts Institute of Technology. He had also previously worked in Geneva in 1974 with the United Nations Conference on Trade and Development. Prior to joining Guoco, he had served in the Singapore Civil Service as a Colombo Plan Scholar 1975–1978 before coming to work in Hong Kong with a financial services company and a major U.S. bank. Mr Tan has extensive experience in property investment, financial and investment management services.

James Eng, Jr., aged 65, has been an Executive Director of Guoco since 2001 and is responsible for all Group staff support functions for Guoco. He joined Guoco Management Company Limited, a wholly owned subsidiary of Guoco, in 1994 as an executive director. Prior to joining Guoco, Mr Eng worked with Hiram Walker, a Division of Allied-Lyons. Postings included New York, Miami, London, Hong Kong and Windsor Canada. During his time with Brout, Issacs & Co., Certified Public Accountants in New York City, he was responsible for the Management Services Division and was a Management Consultant in New York for Computer Methods Corporation.

Volker Stoeckel, aged 62, has been an Independent Non-executive Director of Guoco since 2004. He was a banker in various senior banking positions in Asia for over 26 years. In 2007, he took up a position as Chairman, CEO of Metal Cast (Zhong Shan) Limited. Before that he was Chairman, CEO of German Centre for Industry and Trade in Shanghai and Senior Executive Vice President and Chief Executive Asia Pacific of Bayerische Landesbank in Hong Kong. Mr Stoeckel has wide experience in Asia relating to capital market transactions, corporate finance, project finance, mergers and acquisitions, treasury and securities business and planning and management of real estate and industrial projects in China. He graduated from the University of Munich in economics and holds a diploma in banking.

Ding Wai Chuen, aged 47, has been an Independent Non-executive Director of Guoco since 2006. He also serves as an independent non-executive director of Lam Soon (Hong Kong) Limited. Mr Ding is a Partner of Grant Thornton, Certified Public Accountants. He is an associate member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr Ding had worked for international firms of accountants in England and in Hong Kong for over 11 years before joining the Hong Kong Institute of Certified Public Accountants ("HKICPA") in 1994 as the Head of the Professional Compliance Division. His main responsibilities at the HKICPA were monitoring and enforcing compliance with the HKICPA's professional standards. Mr Ding is recently appointed by the Hong Kong SAR Government as a member of the Financial Reporting Review Panel of the Financial Reporting Council. Since 2002, Mr Ding has been appointed by the PRC Ministry of Finance as a member of the Advisory Group of Foreign Experts for drafting PRC's Independent Auditing Standards. Since the beginning of 2007, he has been involved, as an advisor, in the joint projects between HKICPA and PRC Ministry of Finance for the comparison of Hong Kong and PRC accounting and auditing standards. Mr Ding was appointed by the Hong Kong SAR Government of the PRC as a member of the Commission on Strategic Development in November 2005 and as a member of the Central Policy Unit Panel on the Pan-Pearl River Delta in January 2006. Mr Ding has been a committee member of a number of Committees of the HKICPA, responsible for enacting and enforcing of the accounting standards of the HKICPA.

Financial Highlights

Financial highlights of Guoco Group for the year ended 30 June 2007:

		Year ended 30 June 2007 HK$'M	Year ended 30 June 2006 (Restated) HK$'M	Increase/ (Decrease)
Turnover		**20,934**	43,951	(52%)
Profit from operations before finance cost		**4,397**	5,424	(19%)
Profit attributable to shareholders of the Company		**4,271**	5,637	(24%)
		HK$	HK$	
Earnings per share		**13.14**	17.22	(24%)
Dividend per share:	*Interim*	**1.00**	1.00	
	Proposed final	**3.30**	3.00	
		4.30	4.00	8%
	Proposed special	**—**	1.00	
	Total	**4.30**	5.00	
Equity per share attributable to shareholders of the Company		**123.20**	112.20	10%

	As at 30 June 2007 HK$'M	As at 30 June 2006 HK$'M	Increase
Equity attributable to shareholders of the Company	**40,538**	36,918	10%
Total assets	**69,283**	58,012	19%
Total liabilities	**20,932**	13,592	54%

Ten Year Summary

US$'000 Years	Total assets	Total liabilities	Equity attributable to shareholders of the Company	Profit for the year attributable to shareholders of the Company	Dividend per share
1998	18,565,159	16,157,183	1,419,147	49,448	0.09
1999	19,338,881	16,956,281	1,403,985	78,928	0.08
2000	20,299,446	18,014,260	1,489,778	88,341	0.09
2001	5,937,223	1,571,996	4,116,828	2,726,259	0.10
2002	4,713,770	927,884	3,577,730	202,656	0.14
2003	4,620,094	703,573	3,702,501	157,193	0.14
2004	4,858,457	680,891	3,933,605	312,805	0.38
2005	5,191,012	655,282	4,196,126	415,476	0.49
2006	7,470,726	1,750,335	4,754,347	725,876	0.64
2007	**8,863,439**	**2,677,829**	**5,186,062**	**546,371**	**0.55**

HK$'000 Years	Total assets	Total liabilities	Equity attributable to shareholders of the Company	Profit for the year attributable to shareholders of the Company	Dividend per share
1998	143,852,134	125,193,932	10,996,260	383,148	0.70
1999	150,021,371	131,538,351	10,891,414	612,283	0.60
2000	158,244,331	140,430,165	11,613,563	688,662	0.70
2001	46,308,855	12,261,175	32,110,229	21,264,139	0.80
2002	36,766,935	7,237,402	27,905,937	1,580,695	1.10
2003	36,027,500	5,486,464	28,872,108	1,225,789	1.10
2004	37,895,963	5,310,949	30,682,119	2,439,881	3.00
2005	40,344,545	5,092,852	32,612,290	3,229,080	3.80
2006	58,011,681	13,591,701	36,918,455	5,636,572	5.00
2007	**69,283,288**	**20,931,920**	**40,538,151**	**4,270,845**	**4.30**

Notes:

(a) The figures for 1998 to 2000 were before transfer to general reserve by banking subsidiaries.

(b) The figures for 2000, 2003 and 2005 were restated due to change in accounting policies.

(c) The figures for 2001 to 2007 were after the disposal of the banking subsidiaries.

Chairman's Statement

"The Company made further progress in its core businesses during the financial year. Going forward, Management will continue to build upon the resilience to achieve sustainability to enhance profitability and capital value."

I am pleased to report that the Company made further progress in its core businesses during the financial year. Going forward, Management will continue to build upon the resilience to achieve sustainability to enhance profitability and capital value.

FINANCIAL RESULTS

The consolidated profit attributable to shareholders, after taxation and minority interests amounted to HK$4,271 million, representing a decrease of 24% compared to the result of last financial year. Earnings per share amounted to HK$13.14.

The directors will be recommending a final dividend of HK$3.30 per share at the forthcoming Annual General Meeting. Together with the interim dividend of HK$1.00 per share, makes a total dividend for the year amounting to HK$4.30 per share, representing an increase of 7.5% compared to that last year excluding the special dividend of HK$1.00 per share last year.

CREATING VALUE IN CORE BUSINESSES

Proprietary Asset Management

Against a backdrop of rising market uncertainty and demanding valuation, I had cautioned shareholders previously not to expect the same profit growth from our portfolio investments annually. In the latter part of our financial year, the Board Investment Committee had adopted a more prudent and less aggressive stance in our Proprietary Asset Management. Consequently, this has resulted in lower contribution from our Proprietary Asset Management compared to the previous year that was exceptional.

We continued to increase our investment management personnel recruiting additional seasoned professionals and experienced analysts. We have now in place a more rounded team of managers and supporting staff in various locations including Hong Kong, Singapore, Malaysia and Japan, focusing on equity and direct investments as well as treasury operations. Our tailor-made portfolio management system was fully implemented in the past few months to provide enhanced reporting, execution and risk management functions.

Our direct investment team besides identifying investment opportunities had also researched and provided global best benchmarks and practices of relevant industries for use by our other core businesses thereby sharpening their competitive edge.

In view of volatility in the currency markets, our treasury team is exercising close and active monitoring of the Group's foreign currency exposures and currency overlays of our equity investments. This had enhanced foreign exchange gain to Group results.

Property Development and Investment — GuocoLand Limited ("GLL")

During the financial year, GLL made significant inroads in achieving expansion and scalability in its core business. I believe GLL now has a strong foundation for achieving growth in its embedded markets in Singapore, China, Malaysia and Vietnam. GLL had made significant acquisitions totalling 1.4 million square metres of gross floor area, including Goodwood Residence and Leedon Heights in Singapore and the iconic mega integrated development, Dongzhimen in Beijing. New land parcels were also acquired during the year to increase its landbank in Malaysia, reinforcing GLL's presence through its subsidiary, GuocoLand (Malaysia) Berhad.

GLL has entered into a new niche area of integrated mixed development which features several components such as residential apartments, hotel, office and retail space under one roof. Each component enhances the value of other components in the development, which will in turn add to the overall connectivity and buzz of the development. These integrated developments will also induce economic stimulus to the community they are located in. Currently, GLL has four integrated developments in the pipeline: Dongzhimen in Beijing, Putuo in Shanghai, Damansara City in Kuala Lumpur and the Vietnam Singapore Industrial Park project in Ho Chi Minh City. These projects may also create synergistic business opportunities for GLL itself or other group companies, such as real estate investment trust or hotel and mall management.

To finance GLL's expansion initiatives, the Group has given its strong support to GLL's rights issue on the basis of one rights share for every three GLL shares at S$2.50 per share. The five-year unsecured convertible bonds due in 2012 issued by GLL were also well received by major institutional investors. The rights issue and the sale of convertible bonds successfully raised S$1.24 billion. The divestment of GLL's non-core assets during the year has transformed GLL into a pure property company. With the focus on property business and, coupled with its fund raising exercises, GLL's balance sheet is strengthened, allowing it to be nimble to make larger acquisitions when appropriate opportunities arise. These strategic moves by GLL were favourably received as manifested in GLL's improved share price in the market.

Hospitality and Leisure Business — BIL International Limited ("BIL")

During the financial year, BIL had implemented a number of important changes to its management structure and business strategy to push forward its hospitality and leisure businesses to keep in step with global standards.

A key initiative for the hotels operations is a detailed brand review exercise undertaken to improve the performance of our hotels thereby maximising their potential in a very competitive market. Guoman Hotels has been defined as international deluxe properties. Thistle Hotels will remain a strong United Kingdom domestic brand targeted at providing upper 4-star product and service standards. The Guoman brand now consists of six major Central London landmark hotels with over 3,300 rooms, and the Thistle brand consists of 33 properties. This transformational change has already produced improved results. The hotel business returned to profitability in 2006/07 after running at a loss in 2005/06.

Having our brand standards defined, full implementation of the on-going refurbishment programme and upgrading of service standard will commence in September 2007 for both Guoman and Thistle. With the better service quality and standard we shall be able to command higher average room rate and occupancy at our hotels to generate higher yields and profitability.

Clermont Leisure (UK) Limited is BIL's investment in the United Kingdom Casino Gaming Industry. Known originally as BIL Gaming Operations UK Limited, the company changed its name in June 2007 to Clermont Leisure (UK) Limited ("Clermont Leisure") following the acquisition in December 2006 of the prestigious Clermont Club in Mayfair, London. There are plans in place to improve substantially the facilities and performance at this location. Clermont Leisure has also applied for a number of gaming licences to be housed in select Guoman and Thistle Hotels. This has the potential to create an integrated hotel and gaming business model producing better financial returns and a differentiated customer offering from our competitors.

Financial Services
— Hong Leong Financial Group Berhad ("HLFG")

HLFG has achieved new milestones in its mission to become a large well-run integrated financial services group offering a comprehensive panoply of conventional and Islamic products and services to meet the financial needs of its target customers. In the international market, HLFG is aiming to have a regional presence in select emerging high growth markets.

A number of initiatives have been undertaken to tap the synergies across various financial businesses within HLFG to allow them to leverage on the group infrastructure and distribution network. Many cooperative programmes are possible and are being implemented in the areas of products and services cross selling, wealth management, investment banking, corporate finance advisory and treasury business. Furthermore, the investment banking arm can work closely with our Group to derive synergistic benefits for our Group and our customers.

HLFG continued to put in resources to enhance and upgrade technologies and processes for cost efficiency and service quality excellence. It has also devoted resources to attract and retain new talent as well as to upgrade skill sets of its staff to fuel its domestic business growth and overseas market expansion.

GROUP HUMAN RESOURCES

I believe strongly in having quality human resources to run, manage and lead our businesses. The Group has implemented timely and successful initiatives to bring this about. This has enabled substantial progress to be made over the last few years in building our four core businesses, each becoming respectable in its sphere. Much of this is achieved through having the right leadership in management, an ever-increasing pool of well-qualified and dedicated staff, and our ability to attract new talent to join the Group.

OUTLOOK

The global investment environment has become increasingly complex. Market turbulence in July and August served as a timely reminder of the high correlation and inherent volatility that could happen in financial markets. It remains uncertain as to how the current woes in the credit market may evolve over the next few months and the exact impact that this may have on the global economy. However, the authorities have shown clear determination to contain this financial contagion from developing into a full-blown crisis. This should help restore confidence in markets although high volatility may still prevail in the next few months. In view of this assessment, we shall maintain a prudent stance in managing our investment portfolio.

For our property development and investment, GLL will stay focused in the core markets where the economic fundamentals are expected to be strong in the next several years. GLL will continuously source and build a sizeable premium landbank to undertake concept developments that will generate a steady earnings stream.

Apart from the United Kingdom, BIL will explore opportunities to collaborate with GLL in relation to the hotel components of GLL's development projects in Asia, under the Guoman and Thistle brand standards.

To realize its mission to grow into a premier integrated financial services conglomerate, HLFG will seek both organic growth and acquisitions to fit its expansion strategies.

Our core businesses are doing well with potential for future growth. We intend to broaden the income streams from these core businesses to be more balanced. As income from asset management is dependent on market conditions, it could on that basis be uneven.

We see challenging times ahead. With our strong balance sheet, however, we have the resources to take on new opportunities from time to time. Overall, we take a cautious view of markets as the US sub-prime and other credit excesses and associated issues work their way through the global economy. However, we remain cautiously optimistic that our respective core businesses will benefit from the underlying strength of the economies of the respective region.

APPRECIATION

I have enjoyed working with my fellow directors and thank them for their wise counsel and support throughout the year. I express my appreciation to our management and staff team for their time, hardwork, dedication and commitment to performance excellence to bring forth the transformation of the Group to what it is today. I would like to thank also our customers and bankers for their continued support, and our shareholders for their confidence in us at each stage of our development to build prime capital value for the Group.

I note with great pleasure that the Company and its staff in Hong Kong has, once again, collaborated to increase its participation in and contributions to charities for the less fortunate and had been awarded the Platinum and the prestigious President's Award by The Community Chest two years in a row.

Quek Leng Chan
Executive Chairman

14 September 2007

Review of Operations

"In view of rising market uncertainty and demanding valuation, the Board Investment Committee had adopted a more prudent and less aggressive stance in our Proprietary Asset Management."

Proprietary Asset Management

PROPRIETARY ASSET MANAGEMENT

Global equities performed strongly in the first half of 2007 with a number of major markets reaching all time highs or multi-year highs by the end of our financial year. This happened despite the fact that the long-awaited slowdown in the US housing market finally took place and there were initial sign of weakness coming from the US sub-prime mortgage markets. Good equity performance was underpinned by strong global liquidity, M&A activities and a benign global economic environment. At a micro level, better-than-expected earnings growth and active capital management by companies via share buyback further boosted investors' confidence.

Our investment teams remained active in most of the global and regional markets during the year. In China, continued economic expansion, restructuring in corporate shareholding structure and rapid rise of private entrepreneurs presented tremendous investment opportunities. Our portfolio generated attractive returns from investing in a number of PRC related counters listed in Hong Kong and Singapore. Within the ASEAN region, we benefited from a revival of investors' interests in Malaysia and a sustained rise in the Singapore market. We also traded successfully in Thailand by taking advantage of the volatility resulting from its domestic political issues. In the developed markets, our focus was to search for under-valued counters.

Given that equity prices generally traded at high levels, our investment team adopted a conservative stance in managing the investment portfolio. The portfolio size was regularly reviewed and our investment approach remained to be stock focus. More effort was devoted in looking for suitable strategic investment opportunities that offered strong fundamental backing with better likelihood of value creation in spite of market volatility. Besides targeting blue chips, we also examined a number of well-managed medium-sized companies with a view of building long-term holdings.

"The GLL Group reported a net profit of S$281.9 million, an increase of 81% compared to the previous year."

Artist's Impression — Changfeng City, Shanghai

Property Development & Investment

PROPERTY DEVELOPMENT AND INVESTMENT

GuocoLand Limited ("GLL") — 63.9% controlled by Guoco

For the year, the GLL Group reported a net profit of S$281.9 million, an increase of 81% compared to the previous year.

In accordance with applicable Hong Kong Financial Reporting Standards, the Group has recognised revenue arising from pre-sale of properties upon completion of development projects instead of using the percentage of completion method adopted by GLL as permitted under the relevant Singapore Accounting Standards. Accordingly, operating profits of GLL for the year amounting to S$78.6 million have been deferred for recognition in our Group accounts. Up to 30 June 2007, accumulated operating profits of GLL totalling S$85.7 million have been deferred for recognition, which will only be recognised by the Group upon completion of the relevant development projects in subsequent years.

The GLL Group's revenue and cost of sales increased by 94% and 72% respectively as compared to the previous year mainly due to higher revenue and cost of sales recognised from its property development projects in Singapore and China. Increased sales and higher selling prices contributed to the higher revenue recognised from the property development projects in Singapore.

Gross profit increased from S$42.6 million to S$154.4 million mainly due to higher profits and writeback of provision for property development projects in Singapore and profits recognised from the sale of units in West End Point in Beijing.

Other income increased by 33% to S$194.7 million for the year and comprised a revaluation gain of S$116.5 million on the investment properties in Singapore,

The View @ Meyer, Singapore

profit of S$29.6 million from the sale of investments, profit of S$16.9 million from the sale of a subsidiary which owned a hotel in Hanoi and net foreign exchange gain of S$12.7 million.

Finance costs increased by 42% to S$32.4 million due to an increase in total bank loans and borrowings from S$1.2 billion to S$2.0 billion as at 30 June 2007. The increase in bank loans and borrowings was mainly due to the drawdown of new bank loans and the issue of convertible bonds.

In April 2007, GLL announced a S$690 million convertible bond issue due 2012 and a renounceable 1 for 3 rights issue at S$2.50 per share for the purpose of funding acquisitions and for working capital requirements of the GLL Group's various projects. GLL received net proceeds of approximately S$683 million from the convertible bond issue which was completed in May 2007 and approximately S$555 million from the rights issue which closed in July 2007.

Singapore

The GLL Group has four developments on the market in Singapore: Le Crescendo, The Quartz, The View @ Meyer and The Boulevard Residence. Sanctuary Green and The Stellar are now fully sold.

During the year, the GLL Group has completed the acquisition of Casa Rosita condominium at Orchard/ Scotts area. This freehold site will be developed as an upmarket development to be called "Goodwood Residence" and is expected to be launched within the next twelve months.

The GLL Group has also entered into respective conditional collective sale and purchase agreements to acquire the freehold properties known as Sophia Residence condominium located at Mount Sophia, Palm Beach Garden located at Elliot Road near the East Coast Park and Leedon Heights located in District 10, off Holland Road and Farrer Road for redevelopment. With these acquisitions, the GLL Group's landbank in Singapore, in terms of saleable area, will be approximately 236,000 square metres (2.5 million square feet).

The Singapore economy expanded by an estimated 8.2% in the second quarter of 2007, up from 6.4% in the previous quarter. Statistics/Data by Urban Redevelopment Authority showed that property prices increased by 8.3% in the second quarter of 2007, compared with 4.8% increase in the first quarter of 2007. The increase in property prices in the second quarter of 2007 appears to be broad based with all segments of the property market registering an increase. Despite recent property measures including an increase in the development charge by the government and the recent market volatility in the world equity markets, the GLL Group remains positive that demand for private residential properties from both local and foreign homebuyers will remain sustainable in tandem with the economic growth in Singapore and the Asian countries.

Artist's Impression —
Goodwood Residence, Singapore

The Gardens at Bishan, Singapore

Review of Operations


The Quartz, Singapore

Tung Centre, Singapore


Artist's Impression —
Laochengxiang Site, Tianjin


Artist's Impression —
Ascot Park, Nanjing

Review of Operations

West End Point, Beijing

China

West End Point, a 810-unit residential development located within the Second Ring Road in Feng Sheng, Xicheng District of Beijing, was launched during the year.

Changfeng City is another integrated property project of the GLL Group located in Putuo District of Shanghai. This site can be developed into a modern integrated SOHO, commercial, hotel and retail development. Piling for Phase 1 of this project has been completed.

Ascot Park, located in Qixia District, Nanjing, comprises 2 plots designated primarily for residential development with about 25% of its saleable area being designated for commercial development. The GLL Group expects to launch this 1,112-unit condominium in the second half of 2007. This will be the GLL Group's maiden project in Nanjing where there has been steady demand from a growing pool of aspiring homeowners.

In April 2007, the GLL Group entered into a conditional share acquisition agreement with Beijing Beida Jade Bird Company Limited ("BBJB Co") and its related corporations to acquire a 90% interest in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("Beijing Cheng Jian Project Co") which owns the land use and development rights to a prime land parcel of 106,000 square metres located along Dongzhimen Road on the East Second Ring Road in the Dongcheng District of Beijing ("Dongzhimen Site") for a purchase consideration of RMB5.8 billion. This site is currently being developed into an integrated retail, hotel, office, residential and transportation terminal hub comprising two metro stations, a bus interchange and an express rail link with flight check-in services giving a quick 15-minute access to the Beijing International Airport. To date, the GLL Group has paid RMB1.2 billion of the purchase consideration and currently holds a 45% stake in Beijing Cheng Jian Project Co.

In May 2007, the GLL Group completed the acquisition of a 100% stake in a PRC project company which holds the land use and development rights to a land parcel known as Plot 12 in Laochengxiang area in the Nankai District of Tianjin with land area of approximately 26,000 square metres. This acquisition marks the GLL Group's entry into Tianjin, which is being developed into a major commercial, industrial and financial centre in northern China.

Including the Tianjin Laochengxiang and Dongzhimen acquisitions, the GLL Group has approximately 2 million square metres of gross floor area in China.

China registered strong economic growth of 11.9% in the second quarter of 2007, the highest in 12 years. Recent property regulations which include the tightening of investment approval and restrictions on foreign currency debt for foreign real estate companies are expected to have limited impact on the GLL Group's long-term strategy for China. The GLL Group expects domestic demand for private housing to continue to be sustained by the robust economy and the increasingly affluent urban populations.

Review of Operations

Emerald — Residential-commercial Project at Rawang of Malaysia

Malaysia

The GLL Group's 64.98% subsidiary, GuocoLand (Malaysia) Berhad ("GLM") which is listed on Bursa Malaysia Securities Berhad, currently has eight ongoing mixed residential development projects in the Klang Valley, located in the northern growth corridors in Rawang and Sungai Buloh, the southern growth corridors in Cheras, Kajang and Sepang and at old Klang Road near Kuala Lumpur city.

Earthwork and piling for GLM's 8.5-acre integrated commercial development project in Damansara Heights, comprising luxury condominiums, office towers, serviced apartments, a 5-star boutique hotel and a lifestyle retail mall, is in progress. This flagship project, which is slated for launch in early 2008, will be an iconic landmark in the Damansara Heights area.

In August 2007, GLM entered into a Share Sale and Purchase Agreement to acquire 100% equity interests in Titan Debut Sdn Bhd ("TDSB") for a cash consideration of RM71 million. TDSB had in April 2007 entered into sale and purchase agreements with Oval Residences Sdn Bhd to purchase the entire 140 units of serviced apartments of a total built-up area of approximately 586,000 square feet together with respective accessory parcels in the project known as the "Oval Apartments" for a total cash consideration of RM404.6 million. The Oval Apartments are situated on freehold land along Jalan Binjai in Kuala Lumpur City Centre and face the KLCC Park. The development of the Oval Apartments is currently approximately 30% completed and is expected to be fully completed by December 2008. GLM intends to put the apartments on the market for sale during the financial year ending 30 June 2008.

The positive economic outlook for Malaysia in 2007 is supported by higher domestic demand and public spending under the Ninth Malaysian Plan, and the recent measures by the government which include the abolition of property gains tax to liberalise the property market, are expected to have positive effects on the property market. The GLL Group expects the demand for quality residential housing to remain sustainable in the short and medium term.

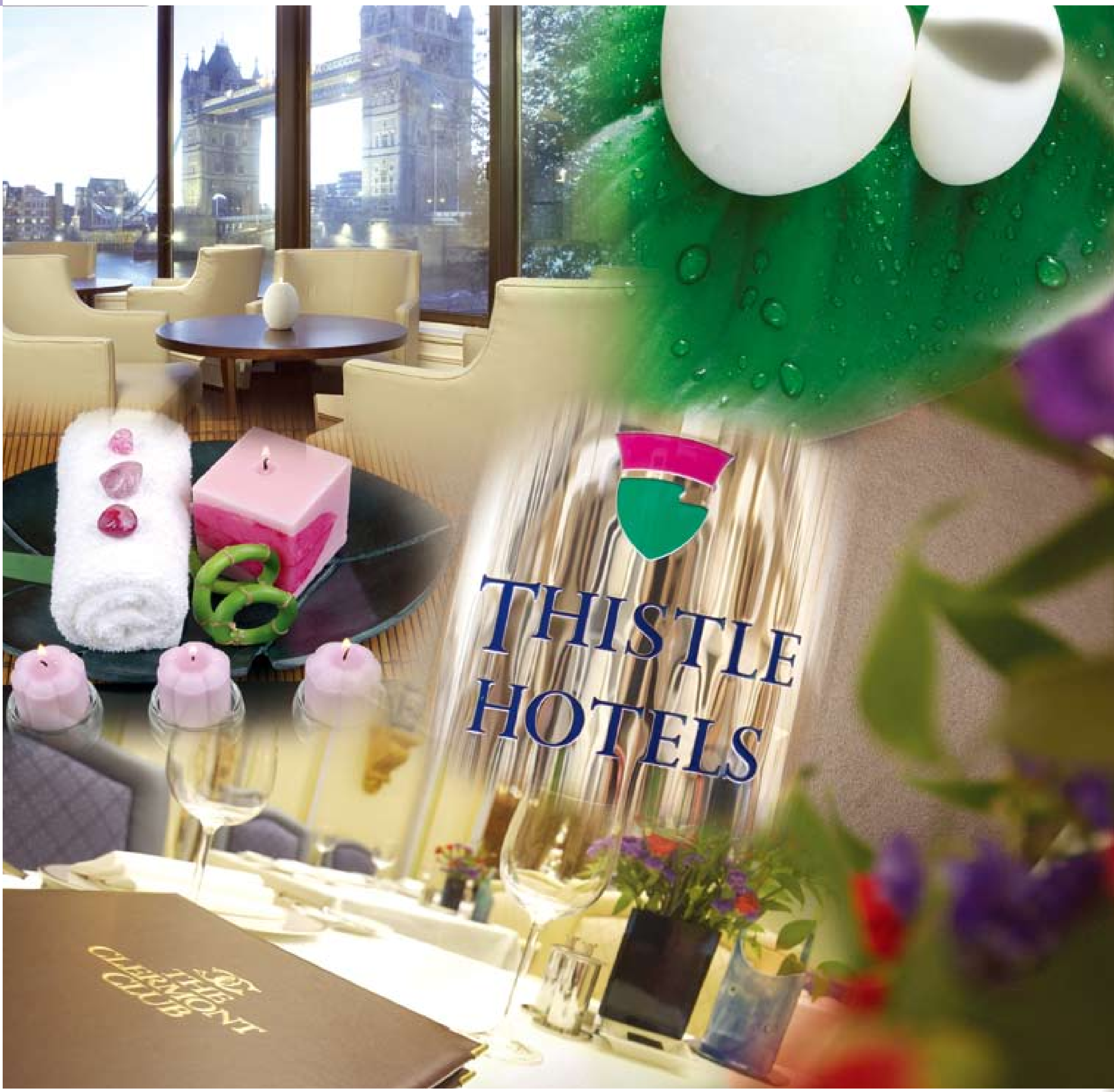
Vietnam

Preparation for master plan submission to the relevant authorities is in progress for the GLL Group's integrated development project located next to the Vietnam Singapore Industrial Park in Binh Duong Province, 17 kilometres north of Ho Chi Minh City. This integrated hub will have residential, retail, entertainment, sports and other commercial facilities. Phase 1 of the residential component of the project is expected to be launched in the financial year ending 30 June 2008.

Vietnam is one of the fastest growing economies in Asia. The economy grew 8.2% in 2006 and 7.9% in the first half of 2007. Vietnam's accession into World Trade Organisation in January 2007 and the changes in local regulations in recent years to encourage foreign direct investments have a positive impact on the economy and the property market. With a young demographic profile and rising affluence, the GLL Group expects demand for quality housing to increase in the coming year.

Artist's Impression —
Shopping Mall of the Integrated Development in Vietnam Singapore Industrial Park, Ho Chi Minh City, Vietnam

"BIL's revenue increased by 27% compared with the previous year, contributed mainly by its hotel segment."



Hospitality and Leisure Business

HOSPITALITY AND LEISURE BUSINESS

BIL International Limited ("BIL") — 59.3% controlled by Guoco

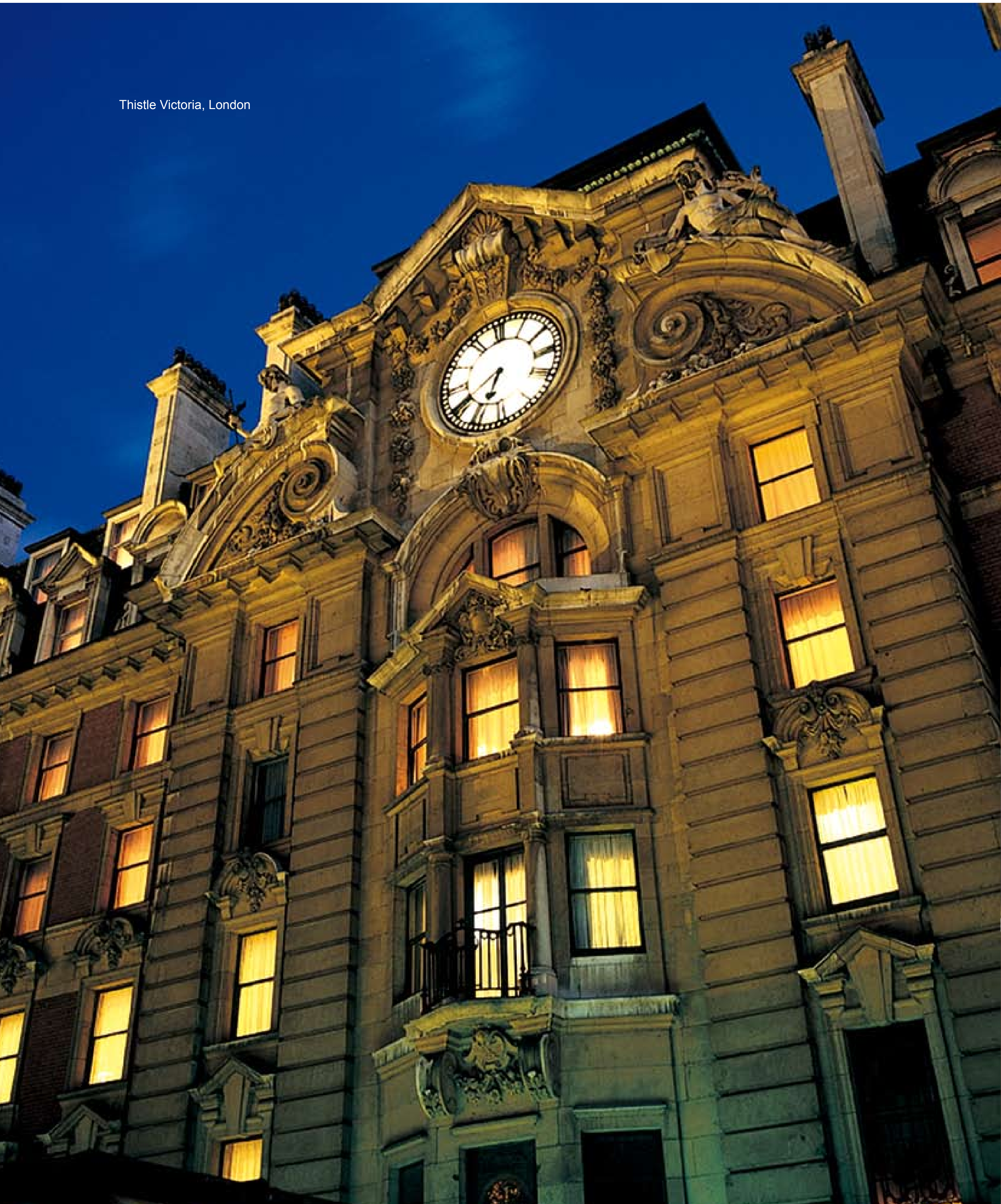
BIL recorded a profit before tax for the year of US$4.8 million compared to loss before tax of US$21.8 million in the previous year.

The revenue increased by 27% compared with the previous year, contributed mainly by the BIL Group's hotels segment. Last year's result was adversely impacted by the July 2005 London bombings. Occupancy and average room rate have both enjoyed growth as illustrated below:

	London		Provincial		Total	
July to June	**2007**	2006	**2007**	2006	**2007**	2006
Occupancy %	**79.6**	77.2	**71.1**	69.8	**76.0**	74.0
Average Room Rate (£)	**95.6**	81.9	**60.3**	58.1	**81.5**	72.3
RevPar (£)	**76.1**	63.3	**42.9**	40.6	**61.9**	53.5
Revenue (£ m)	**214.5**	184.8	**122.9**	117.9	**337.4**	302.7

Thistle Charing Cross, London

Review of Operations



Thistle Victoria, London

Revenue in the property development segment has remained steady compared with last year.

The acquisition of the Clermont Club was completed on 1 December 2006 and the BIL Group has consolidated the results from the company.

Other operating income improved from US$11.3 million for the previous year to US$19.1 million for the year. Management fees earned by the BIL Group's hotels segment have contributed to this improvement.

Clermont Leisure (UK) Limited has 4 gaming licences, 3 of which are greenfield licences, approved by the UK Gambling Commission. There are a further 24 approved Certificates of Consent. These Certificates of Consent are progressing through the various stages of planning approvals and licensing hearings. A number of the gaming applications have been made for integration into Guoman Hotels in London as well as other strategic sites.

The BIL Group has an entitlement to 55.11% of 2.5% royalties on the Bass Strait oil and gas produce. In 1997, the entitlement to the royalties was monetised into 44 million units for a 10-year period held by the Bass Strait Oil Trust. With the expiration of the 44 million units in July 2007, all future royalty payments from April 2007 onwards belong to the BIL Group.

Camerlin Group Berhad ("CGB") — 67.4% controlled by Guoco

CGB recorded a pre-tax profit of RM9.5 million for the year. The profit was mainly due to its share of profits of RM10.3 million from BIL, of which CGB holds 22.3% interests.

CGB announced in February 2007 a proposed capital distribution of substantially all its interests in BIL of approximately 303 million shares, to its shareholders via a reduction of its share capital and cancellation of its share premium reserve which will result in the reduction of the par value of CGB shares from RM1.00 to RM0.13. The ordinary shares of the reduced par value of RM0.13 will then be consolidated into shares of RM1.00 each. The aforesaid proposals are subject to, among others, the approvals of relevant regulatory authorities, shareholders of CGB and the sanction of the High Courts.

The Clermont Club

"The HLFG Group recorded a profit before tax of RM985.7 million, an increase of 15% compared to the previous year."

Financial Services

FINANCIAL SERVICES

Hong Leong Financial Group Berhad ("HLFG") – 25.4% owned by Guoco

The HLFG Group recorded a profit before tax of RM985.7 million for the year as compared to RM859.3 million in the previous year, an increase of RM126.4 million or 15%. This was mainly due to higher contributions from the HLFG Group's three main operating businesses.

The banking division recorded a profit before tax of RM856.6 million for the year as compared to RM764.2 million in the previous year, an increase of RM92.4 million or 12%. This was mainly due to higher net income which was spurred by strong growth in business volumes as well as lower loan loss provisions.

The insurance division recorded a profit before tax of RM120.1 million for the year as compared to RM91.9 million in the previous year, an increase of RM28.2 million or 31%. The increase was mainly due to higher premium income and gains on investments.

The stockbroking and asset management division recorded a profit before tax of RM37.9 million for the year as compared to RM27.8 million in the previous year, an increase of RM10.1 million or 36%. The increase was mainly due to higher brokerage income arising from higher Bursa volumes experienced during the year.

GROUP FINANCIAL COMMENTARY

Results

The consolidated profit attributable to shareholders for the year ended 30 June 2007, after taxation and minority interests amounted to HK$4,271 million, representing a decrease of 24% over that of last year. Earnings per share amounted to HK$13.14.

The major profit contributions (before finance cost and taxation) arose from the following:

— total realised and unrealised gains on investments of HK$2,111 million;

— total interest income of HK$1,571 million;

— hospitality and leisure business of HK$370 million;

— property operations of HK$511 million;

— contribution from associates and jointly controlled entities of HK$421 million;

— total net exchange gain (including forex contracts) of HK$142 million; and

— dividend income of HK$141 million.

Overall turnover decreased by 52% to HK$20.9 billion. The reduction was mainly attributable to the decrease in proceeds from sale of investments in securities.

Capital and Finance

— The Group's consolidated total equity (including minority interests) as at 30 June 2007 amounted to HK$48.4 billion, an increase of 9% comparing to the total equity as at 30 June 2006.

— The Group's consolidated total equity attributable to shareholders of the Company as at 30 June 2007 amounted to HK$40.5 billion, an increase of HK$3.6 billion comparing to the figure as at 30 June 2006.

Total Cash and Liquid Funds

As at 30 June 2007, the Group has net liquid funds of HK$17.9 billion, comprising total cash balance of HK$24.7 billion and marketable securities of HK$9.2 billion and after netting off the total borrowings of HK$16.0 billion.

Total Borrowings

The increase in total borrowings from HK$9.7 billion as at 30 June 2006 was primarily due to the drawdown of new bank loans and the issue of the convertible bonds by GLL to finance the acquisitions in Singapore and China and increase in borrowings of BIL for funding its newly established gaming segment and new projects in property and development segments. The Group's total borrowings are mainly denominated in Singapore dollars (49%), British pounds (31%) and US dollars (16%).

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

	Bank loans HK$'M	Mortgage debenture stock HK$'M	Convertible bonds HK$'M	Other borrowings HK$'M	Total HK$'M
On demand or within 1 year	1,901	—	—	21	1,922
After 1 year but within 2 years	2,904	—	—	1,327	4,231
After 2 years but within 5 years	1,841	—	3,187	587	5,615
After 5 years	12	4,173	—	—	4,185
	4,757	4,173	3,187	1,914	14,031
	6,658	4,173	3,187	1,935	15,953

The loans are secured by the following:

— legal mortgages on investment properties with an aggregate book value of HK$84 million;

— legal mortgages on development properties with an aggregate book value of HK$6,502 million; and

— legal mortgages on property, plant and equipment with an aggregate book value of HK$8,378 million.

Committed borrowing facilities available to Group companies and not yet drawn as at 30 June 2007 amounted to approximately HK$3,928 million.

Interest Rate Exposure

As at 30 June 2007, approximately 41% of the Group's borrowings were at floating rates and the remaining 59% were at fixed rates. 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. When considered appropriate, the Group may use interest rate swap contracts to manage the interest rate exposure.

Foreign Currency Exposure

The Group may, from time to time, enter into foreign exchange rate related contracts for the purpose of hedging the foreign currency exposures. The Group may also raise foreign currency loans to hedge our foreign currency investments.

Contingent Liabilities

A subsidiary of the Group, BIL, had contingent liabilities of approximately HK$40 million in relation to the guarantees of investment performance. In addition, BIL has given a guarantee to the owner of the 28 hotel businesses sold in 2002 in relation to the aggregate Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of the business. The maximum liability on any one year under the guarantee was HK$512 million and the maximum aggregate liability under the guarantee was approximately HK$1,024 million. BIL's expectation is that the future annual EBITDA will be in excess of the guaranteed amount.

GuocoLand (China) Limited ("GLC"), the Group's subsidiary, had signed a conditional share acquisition agreement with Beijing Beida Jade Bird Company Limited and its related corporations to acquire a 90% stake in Beijing Cheng Jian Dong Hua Real Estate Development Company ("Project Co") which owns the land use and development rights to a land parcel located along Dongzhimenwai Dajie in the Dong Cheng District of Beijing.

The Project Co is a co-defendant in a civil litigation in Beijing, the PRC, brought by Shenzhen Development Bank ("SDB"). The claim by SDB against the Project Co appears to have arisen in connection with the claim by SDB against the guarantor of certain alleged loans granted by SDB to certain borrowers. The guarantor was a joint venture company between the Project Co and another party. SDB is seeking an order for the transfer of the Dongzhimen Site from the Project Co to the guarantor. As at 30 June 2007, the claim by SDB against the Project Co is still pending adjudication by the People's High Court of Beijing.

GLC has obtained a legal opinion from its PRC lawyers that SDB's claim against the Project Co does not have sufficient legal and contractual basis. The Company is of the view that based on latest available information, there is not likely to be any material financial impact on the Group.

HUMAN RESOURCES AND TRAINING

The Group, including its subsidiaries in Hong Kong and overseas, employed approximately 3,100 as at 30 June 2007. 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 by management 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 performance of the Group and individual achievement as incentives to optimise performance. Share options may also be granted in accordance with the approved share option schemes or plans adopted by the Company and its subsidiaries to eligible employees to reward their contribution and foster loyalty towards the Group.

Corporate Governance Report

"Corporate Governance is the process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholder value, whilst taking into account the interest of other stakeholders."

Quek Leng Chan
Executive Chairman

The Board has adopted a Code of Corporate Governance Practices (the "CGP Code"), which is based on the principles set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Continuous efforts are also made to review and enhance the Group's internal controls and procedures in light of changes in regulations and developments in best practices. To us, maintaining high standards of corporate governance practices is not just complying with the letter of the provisions but also the intent of the regulations to enhance corporate performance and accountability.

The Company has complied throughout the financial year ended 30 June 2007 with the CGP Code, save that non-executive directors were not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meeting pursuant to the Company's Bye-Laws. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the CGP Code.

A. DIRECTORS

1. The Board

The Board assumes responsibility for directing the Company and enhancing its value for shareholders in accordance with good corporate governance principles and has established relevant board committees to assist in discharging this responsibility.

The role and responsibilities of the Board broadly cover reviewing and approving corporate mission and broad strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate measures and control systems to manage these risks; and reviewing and approving important matters such as financial results, investments and divestments and other material transactions.

The Board has delegated the day-to-day management and operation of the Group's businesses to management of the Company and its subsidiaries.

The Board comprises the following members:

Executive Directors
Quek Leng Chan *(Executive Chairman)*
Kwek Leng Hai *(President, CEO)*
Tan Lim Heng
James Eng, Jr.

Non-executive Directors
Kwek Leng San
Sat Pal Khattar*
Volker Stoeckel*
Ding Wai Chuen*

(* independent)

A. DIRECTORS (CONT'D)

1. The Board (cont'd)

The Board of Directors meets regularly and members of the Board receive information between meetings about developments in the Company's business. During the year, five board meetings were held. Messrs Quek Leng Chan, Kwek Leng Hai, Sat Pal Khattar, Kwek Leng San, Tan Lim Heng, James Eng, Jr. and Volker Stoeckel attended all the five board meetings while Mr Ding Wai Chuen attended all the three meetings held after his appointment. Mr Harry Richard Wilkinson, who retired as director of the Company on 16 October 2006, attended all the two meetings held before his retirement.

The Company received confirmation of independence from each of the independent non-executive directors for the year pursuant to Rule 3.13 of the Listing Rules. Up to and as at the date of this report, the Company considers that these directors continue to be independent.

The family relationships among the board members, if any, are disclosed under "Biographical Details of Directors and Senior Management" on page 5 of this annual report.

2. Chairman and Chief Executive Officer ("CEO")

The roles of the Chairman and the CEO of the Company are segregated and are not held by the same person. Currently, Mr Quek Leng Chan is the Executive Chairman and Mr Kwek Leng Hai is the President and CEO of the Company.

The primary responsibility of the Executive Chairman is to ensure efficient functioning of the Board and, together with the President and CEO, to oversee Board policies.

2. Chairman and Chief Executive Officer ("CEO") (CONT'D)

The CEO's main responsibility is to work with business managers to develop strategic business plans and to set out Key Performance Areas for the business managers as well as to focus on creating value through asset deployment and optimal use of the capital resources available.

3. Non-executive Directors

The non-executive directors are not appointed for a specific term but their terms of office are subject to retirement by rotation and re-election at the annual general meetings in accordance with the Company's Bye-Laws.

4. Nomination of Directors

The Board is responsible for the selection and recommendation of candidates for directorship of the Company. All new nominations received are assessed and approved by the Board in line with its policy of ensuring that the nominees are of high calibre and ample experience.

During the year, the nomination of Mr Ding Wai Chuen for appointment as an independent non-executive director of the Company was assessed and approved by the Board, taking effect from the conclusion of the last annual general meeting in 2006.

5. Directors' Securities Transactions

The Company had 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 governing 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 year.

B. DIRECTORS' REMUNERATION

1. Board Remuneration Committee ("BRC")

The BRC currently comprises Messrs Quek Leng Chan (Chairman), Volker Stoeckel and Ding Wai Chuen as members. The latter two members are independent non-executive directors of the Company. Mr Harry Richard Wilkinson stepped down as a member of the BRC following his retirement as director of the Company on 16 October 2006.

The principal role of the BRC is to make recommendations to the Board on the policy and structure for the remuneration of directors and senior management, as well as to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payment, including any compensation payable for loss or termination of their office or appointment.

The BRC held two meetings during the year. Messrs Quek Leng Chan and Volker Stoeckel attended all the two meetings. Mr Ding Wai Chuen attended the one meeting held after his appointment while Mr Harry Richard Wilkinson attended the one meeting held before his retirement.

During the year, the BRC reviewed and recommended to the Board for approval of its updated terms of reference and the remuneration policy for directors and senior management, recommended to the Board the last year's executive directors' fees for proposing to shareholders for approval, approved the last year's bonuses for executive directors and senior management, as well as reviewed the current year's remuneration packages of the Company's executive directors and senior management.

The terms of reference of the BRC is accessible on the Company's website.

2. Level and Make-up of Remuneration

The Group's remuneration scheme for executive directors and senior management is linked to performance, service seniority, experience and scope of responsibility and is periodically adjusted based on market/industry surveys conducted by human resource consultants. Performance is measured against profit targets set out in the Group's annual plans and budgets. The remuneration packages are laid down in the Group's Human Resources Manual, which is reviewed from time to time to align with market/ industry practices.

For non-executive directors, the level of remuneration reflects the level of their responsibilities.

The fees of directors, including non-executive directors, are recommended and endorsed by the Board for shareholders' approval at the Company's annual general meetings.

C. ACCOUNTABILITY AND AUDIT

1. Board Audit Committee ("BAC")

The BAC currently comprises Messrs Sat Pal Khattar (Chairman), Volker Stoeckel and Ding Wai Chuen. All of them are independent non-executive directors of the Company. Mr Harry Richard Wilkinson stepped down as the chairman and member of the BAC following his retirement as director of the Company on 16 October 2006.

C. ACCOUNTABILITY AND AUDIT (CONT'D)

1. Board Audit Committee ("BAC") (cont'd)

The BAC oversees the financial reporting process and assesses the adequacy and effectiveness of the Company's system of internal control. The BAC meets with the Company's external and internal auditors, and reviews their audit plans, the internal audit programmes, the results of their examinations as well as their evaluations of the system of internal control. It also reviews directors' interests in contracts and connected transactions. The BAC reviews the Group's and the Company's financial statements and the auditors' report thereon and submits its views to the Board.

The BAC held four meetings during the year. Messrs Sat Pal Khattar and Volker Stoeckel attended all the four meetings. Mr Ding Wai Chuen attended all the three meetings held after his appointment while Mr Harry Richard Wilkinson attended the one meeting held before his retirement.

The following is a summary of the work performed by the BAC during the year:

- reviewed and approved the Group's internal audit charter;
- reviewed the audit plans and internal audit programmes;
- reviewed the interim report and the interim results announcement for the six months ended 31 December 2006;
- reviewed connected transactions entered into by the Group subsisting during the year;
- reviewed the audited accounts and the final results announcement for the year;
- reviewed and recommended to the Board for approval of the external audit fee;
- reviewed the internal control and risk management framework; and
- considered and recommended to the Board for the adoption of new accounting standards.

The terms of reference of the BAC is accessible on the Company's website.

2. Financial Reporting

The Listing Rules require listed companies to prepare annual financial statements which shall provide a true and fair view of the state of affairs of the companies and of the results of their operations and cashflows.

The Board is responsible for ensuring the maintenance of proper accounting records of the Group. It has also acknowledged its responsibility for preparing the financial statements.

The Board adopts the financial statements after reviewing the assessments performed by the BAC and the auditors.

The Board is satisfied that appropriate accounting policies have been used in preparing the financial statements, consistently applied and complied with the relevant accounting standards.

A statement of the auditors about their reporting responsibilities is included in the Report of the Auditors on page 57 of this annual report.

3. Internal Controls

The Board, recognising its responsibilities in ensuring sound internal controls, has put in place a risk management framework for the Group to:

- identify the significant risks faced by the Group in the operating environment as well as evaluate the impact of such risks identified;
- develop the necessary measures for managing these risks; and

C. ACCOUNTABILITY AND AUDIT (CONT'D)

3. Internal Controls (cont'd)

- monitor and review the effectiveness of such measures.

The Board has entrusted the BAC with the responsibility in overseeing the implementation of the Group's risk management framework. In discharging this responsibility, the BAC, assisted by the Group Internal Audit Department:

- periodically evaluates identified risks for their continuing relevance in the operating environment and inclusion in the risk management framework;
- assesses the adequacy of action plans and control systems developed to manage these risks; and
- monitors the implementation of the action plans and the effectiveness of the control systems.

These on-going processes are in place, and reviewed periodically by the BAC.

The controls built into the risk management framework are intended to manage and not expected to eliminate all risks of failure to achieve business objectives. These controls provide reasonable, but not absolute, assurance against material misstatement of management and financial information or against financial losses and fraud.

The Board, through the BAC, has conducted an annual review on the Group's system of internal control and considers that it is adequate and effective. The Board is satisfied that the Group has fully complied with the provisions on internal controls as set out in the Code on Corporate Governance Practices.

4. Auditors' Remuneration

The fees charged by the Group's external auditors for the year in respect of annual audit services amounted to HK$7,731,000 and those in respect of non-audit services amounted to HK$2,767,000 (including HK$2,673,000 for taxation services).

D. INVESTOR RELATIONS

1. Communication with Investors

The Company encourages two-way communication with both its institutional and private investors. Extensive information about the Company's activities is provided in the interim and annual reports which are distributed to shareholders. Regular dialogues are maintained with institutional investors. Enquiries from individuals on matters relating to their shareholdings and the business of the Company are welcome and are dealt with in an informative and timely manner.

In order to promote effective communication, the Company maintains a website to provide latest news, financials including interim and annual reports and other information relating to the Group and its businesses to the public.

2. Annual General Meeting ("AGM")

The AGM provides an opportunity for the shareholders to seek clarification and to obtain a better understanding of the Group's performance. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

Financial Section Contents

Report of the Directors

The directors of the Company have pleasure in presenting their report together with the audited financial statements of the Group for the year ended 30 June 2007.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries which materially affected the results or assets of the Group during the year include proprietary asset management, property development and investment, hospitality and leisure business, stock and commodity broking and investment advisory. The principal activities of the associates which materially affected the results of the Group during the year include banking and financing, insurance, fund management, stockbroking and merchant banking as well as property development.

The analysis of the principal activities and locations of operations of the Company and its subsidiaries during the year is set out in Note 17 on the financial statements.

SUBSIDIARIES

Particulars of the principal subsidiaries of the Company are set out in Note 17 on the financial statements.

FINANCIAL STATEMENTS

The consolidated net profit of the Group for the year ended 30 June 2007 and the state of the Company's and the Group's affairs at that date are set out in the financial statements on pages 58 to 139.

DIVIDENDS

An interim dividend of HK$1.00 (2006: HK$1.00) per share totalling HK$329,051,000 (2006: HK$329,051,000) was paid on 16 April 2007. The directors are recommending payment of a final dividend of HK$3.30 per share (2006: final dividend of HK$3.00 per share and special dividend of HK$1.00 per share) in respect of the year ended 30 June 2007 totalling HK$1,085,870,000 (2006: HK$1,316,205,000).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 20 November 2007 to 23 November 2007, both days inclusive, during which period no share transfers will be registered.

To qualify for the final dividend and for attending and voting at the forthcoming annual general meeting of the Company to be held on 23 November 2007, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrars in Hong Kong not later than 4:30 p.m. on 19 November 2007.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group accounted for less than 30% of the total turnover of the Group. The information in respect of the Group's purchases attributable to the major suppliers during the year is as follows:

	Percentage of the Group's total purchases
The largest supplier	10.7%
Five largest suppliers in aggregate	37.1%

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major suppliers.

CHARITABLE DONATIONS

Donations made by the Group during the year amounted to US$310,000 (2006: US$320,000).

SHARE CAPITAL, CONVERTIBLE SECURITIES AND WARRANTS

The Company

The Company did not issue any new shares during the year. Details of the share capital of the Company are shown in Note 36 on the financial statements.

GuocoLand Limited ("GLL", 63.9% controlled by the Company)

GLL issued S$690 million in principal amount of convertible bonds (the "Bonds") in May 2007, which are due on 7 May 2012. Details of the Bonds are shown in Note 34 on the financial statements.

Camerlin Group Berhad ("CGB", 67.4% controlled by the Company)

The irredeemable convertible unsecured loan stocks ("ICULS") were issued by CGB in July 2002 with a maturity date of 15 July 2007 and a coupon rate of 5.5% per annum payable semi-annually in arrears each year. The ICULS were convertible into new ordinary shares of RM1.00 each in CGB at any time from the date of issuance. The conversion price of the ICULS was RM1.16 per ordinary share to be satisfied by surrendering for cancellation the equivalent nominal value of ICULS or a combination of ICULS and cash, provided that at least RM1.00 nominal value of ICULS must be surrendered for every one share.

During the year, a total of 5,346,824 new ordinary shares of RM1.00 each were issued as a result of the conversion of RM5,347,100 nominal value of ICULS. There were RM24,324,048 ICULS outstanding as at 30 June 2007.

CGB had, on 25 July 1997, issued 59,162,371 detachable warrants pertaining to the US$105 million Five-year Secured Floating Rate Notes 1997/2002. Each warrant entitles its registered holder to subscribe for one new ordinary share of RM1.00 each in CGB at the subscription price per share of RM2.00 which was adjusted to RM1.90 effective on 4 June 2002 in accordance with the provisions of the deed polls. The warrants were exercised at any time commencing from 25 July 1997 but not later than 25 January 2002 (both dates inclusive). The subscription period for the outstanding warrants was subsequently extended for a further period of 5.5 years from the previous expiry date of 25 January 2002 to 25 July 2007.

During the year, a total of 11,812,543 new ordinary shares of RM1.00 each were issued arising from the exercise of 11,812,543 warrants by the warrant holders. There were 31,932,828 warrants outstanding as at 30 June 2007. Any warrant which was not exercised at the date of maturity, i.e. 25 July 2007, lapsed and ceased to be valid for any purpose.

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

During the year the Company did not redeem any of its listed securities. Neither did the Company nor any of its other subsidiaries purchase or sell any of the Company's listed securities.

TRANSFER TO RESERVES

Profit for the year, before dividend, of US$606.3 million (2006: US$778.9 million) has been transferred to reserves. Movements in the reserves of the Company and the Group during the year are set out in Note 36 on the financial statements.

INTEREST CAPITALISED

Interest capitalised during the year by the Group in respect of development properties amounted to approximately US$18.7 million (2006: approximately US$12.0 million).

FIXED ASSETS

Movements in fixed assets during the year are set out in Note 15 on the financial statements.

PROPERTIES

Particulars of the major development properties, properties held for sale and investment properties of the Group are shown on pages 140 to 144.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws in Bermuda.

DIRECTORS

The directors during the year and up to the date of this report are:

Quek Leng Chan — *Executive Chairman*
Kwek Leng Hai — *President, CEO*
Sat Pal Khattar**
Kwek Leng San*
Tan Lim Heng
James Eng, Jr.
Volker Stoeckel**
Ding Wai Chuen** (appointed on 16 October 2006)
Harry Richard Wilkinson** (resigned on 16 October 2006)

* *Non-executive director*
** *Independent non-executive director*

In accordance with the Company's Bye-Law 99 and Code A.4.2 of the Code of Corporate Governance Practices of the Company, Messrs James Eng, Jr., Sat Pal Khattar and Volker Stoeckel will retire from office by rotation at the forthcoming annual general meeting. In accordance with the Company's Bye-Law 102, Mr Ding Wai Chuen who was appointed as director on 16 October 2006, shall hold office until the forthcoming annual general meeting. All of them, being eligible, offer themselves for re-election.

None of the directors has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

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

As at 30 June 2007, 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 Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

(A) The Company

	Number of *shares/underlying shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of the Company**	
Quek Leng Chan	1,656,325	228,230,391	229,886,716	69.86%	*Note*
Kwek Leng Hai	3,800,775	—	3,800,775	1.16%	
Sat Pal Khattar	691,125	—	691,125	0.21%	
Kwek Leng San	209,120	—	209,120	0.06%	
Tan Lim Heng	559,230	—	559,230	0.17%	
James Eng, Jr.	565,443	—	565,443	0.17%	

* *Ordinary shares unless otherwise specified in the Note*

Note:

Certain information herein is based on additional information of the relevant event(s) before 30 June 2007 with the disclosure deadline(s) under the SFO falling after 30 June 2007.

The total interests of 229,886,716 shares/underlying shares comprised 221,692,634 ordinary shares of the Company and 8,194,082 underlying shares of other unlisted derivatives.

The corporate interests of 228,230,391 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	217,778,529
GuoLine Capital Limited ("GCL")	6,425,000
Asian Financial Common Wealth Limited ("AFCW")	4,026,862

AFCW was wholly owned by the Company which was in turn 65.65% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which was in turn wholly owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). HLCM was 49.11% owned by Mr Quek Leng Chan (2.43%) and HL Holdings Sdn Bhd (46.68%) which was in turn wholly owned by Mr Quek Leng Chan.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONT'D)

(B) Associated Corporations

(a) Hong Leong Company (Malaysia) Berhad ("HLCM")

	Number of *shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of HLCM**	
Quek Leng Chan	390,000	7,487,100	7,877,100	49.11%	*Note*
Kwek Leng Hai	420,500	—	420,500	2.62%	
Kwek Leng San	117,500	—	117,500	0.73%	

* *Ordinary shares*

Note:

The corporate interests of 7,487,100 shares were held by HL Holdings Sdn Bhd which was in turn wholly owned by Mr Quek Leng Chan.

(b) GuocoLand Limited ("GLL")

	Number of *shares/underlying shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of GLL**	*Notes*
Quek Leng Chan	15,047,224	469,407,229	484,454,453	72.78%	*1*
Kwek Leng Hai	19,851,140	—	19,851,140	2.98%	
Sat Pal Khattar	5,000,000	5,392,362	10,392,362	1.56%	*2*
Tan Lim Heng	1,000,000	—	1,000,000	0.15%	
Volker Stoeckel	822,000	—	822,000	0.12%	
James Eng, Jr.	200,000	—	200,000	0.03%	

* *Ordinary shares unless otherwise specified in the Note*

Notes:

1. Certain information herein is based on additional information of the relevant event(s) before 30 June 2007 with the disclosure deadline(s) under the SFO falling after 30 June 2007.

   The total interests of 484,454,453 shares/underlying shares comprised 440,408,464 ordinary shares of GLL and 44,045,989 underlying shares of other unlisted derivatives.

   The corporate interests of 469,407,229 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuocoLand Assets Pte Ltd ("GAPL") (formerly known as Guoco Investment Pte Ltd)	425,361,240
GuoLine Capital Limited ("GCL")	44,045,989

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

2. The corporate interests of 5,392,362 shares were directly held by Khattar Holdings Pte Ltd which was 0.61% owned by Mr Sat Pal Khattar and was accustomed to act according to his directions.

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")*

	Number of *shares/underlying shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of HLFG**	
Quek Leng Chan	4,989,600	835,740,800	840,730,400	79.88%	*Note*
Kwek Leng Hai	2,316,800	—	2,316,800	0.22%	
Kwek Leng San	600,000	—	600,000	0.06%	
Tan Lim Heng	245,700	—	245,700	N/A	

* *Ordinary shares unless otherwise specified in the Note*

Note:

Certain information herein is based on additional information of the relevant event(s) before 30 June 2007 with the disclosure deadline(s) under the SFO falling after 30 June 2007.

The total interests of 840,730,400 shares/underlying shares comprised 824,903,500 ordinary shares of HLFG and 15,826,900 underlying shares of other unlisted derivatives.

The corporate interests of 835,740,800 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	546,476,568
HLCM Capital Sdn Bhd ("HLCM Capital")	296,786
Hong Leong Share Registration Services Sdn Bhd ("HLSRS")	3,600
GuoLine Capital Limited ("GCL")	15,826,900
Guoco Assets Sdn Bhd ("GASB")	267,079,946
Soft Portfolio Sdn Bhd ("SPSB")	6,057,000

GASB was wholly owned by the Company. HLSRS was wholly owned by HLCM Capital which was in turn wholly owned by HLCM.

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

SPSB was 99% owned by Mr Quek Leng Chan.

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

	Number of *shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of GLM**	
Quek Leng Chan	3,266,280	455,198,596	458,464,876	65.45%	*Note*
Kwek Leng Hai	226,800	—	226,800	0.03%	
Sat Pal Khattar	152,700	—	152,700	0.02%	
Tan Lim Heng	326,010	—	326,010	0.05%	

* *Ordinary shares*

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)

Note:

Certain information herein is based on additional information of the relevant event(s) before 30 June 2007 with the disclosure deadline(s) under the SFO falling after 30 June 2007.

The corporate interests of 455,198,596 shares comprised the respective direct interests held by:

	Number of shares
GLL (Malaysia) Pte Ltd ("GLLM")	455,130,580
HLCM Capital Sdn Bhd ("HLCM Capital")	68,016

GLLM was wholly owned by GuocoLand Limited which was in turn 63.90% owned by GuocoLand Assets Pte Ltd ("GAPL") (formerly known as Guoco Investment Pte Ltd). GAPL was wholly owned by the Company.

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

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

(e) Hong Leong Industries Berhad ("HLI")

	Number of *shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of HLI**	
Kwek Leng Hai	189,812	—	189,812	0.07%	*Note*
Sat Pal Khattar	198,580	—	198,580	0.07%	*Note*
Kwek Leng San	2,220,000	—	2,220,000	0.81%	*Note*

* *Ordinary shares*

Note:

Certain information herein is based on additional information of the relevant event(s) before 30 June 2007 with the disclosure deadline(s) under the SFO falling after 30 June 2007.

(f) Hong Leong Bank Berhad ("HLB")

	Number of *shares (Long Position)			
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of HLB**
Kwek Leng Hai	3,955,700	—	3,955,700	0.26%
Sat Pal Khattar	294,000	—	294,000	0.02%
Kwek Leng San	385,000	—	385,000	0.03%

* *Ordinary shares*

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONT'D)

(B) Associated Corporations (Cont'd)

(g) *HLG Capital Berhad ("HLGC")*

	Number of *shares (Long Position)			
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of HLGC**
Kwek Leng Hai	500,000	—	500,000	0.41%
Kwek Leng San	119,000	—	119,000	0.10%

* *Ordinary shares*

(h) *Malaysian Pacific Industries Berhad ("MPI")*

	Number of *shares (Long Position)			
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of MPI**
Sat Pal Khattar	210,000	—	210,000	0.11%
Kwek Leng San	315,000	—	315,000	0.16%

* *Ordinary shares*

(i) *Hume Industries (Malaysia) Berhad ("HIM")*

	Number of *shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of HIM**	
Quek Leng Chan	2,000,000	120,144,828	122,144,828	66.77%	*Note*
Sat Pal Khattar	200,000	—	200,000	0.11%	

* *Ordinary shares*

Note:

Certain information herein is based on additional information of the relevant event(s) before 30 June 2007 with the disclosure deadline(s) under the SFO falling after 30 June 2007.

The corporate interests of 120,144,828 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	116,937,027
HLCM Capital Sdn Bhd ("HLCM Capital")	19,401
Hong Leong Assurance Berhad ("HLA")	1,154,400
Soft Portfolio Sdn Bhd ("SPSB")	2,034,000

The controlling shareholders of HLCM and their percentage controls are shown in the Note under Part (A) above.

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

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

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONT'D)

(B) Associated Corporations (Cont'd)

(j) Narra Industries Berhad ("NIB")

	Number of *shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of NIB**	
Quek Leng Chan	8,150,200	38,304,000	46,454,200	74.70%	*Note*

* *Ordinary shares*

Note:

The corporate interests of 38,304,000 shares were directly held by Hume Industries (Malaysia) Berhad which was in turn 64.56% owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). The controlling shareholders of HLCM and their percentage controls are shown in the Note under Part (A) above.

(k) Lam Soon (Hong Kong) Limited ("LSHK")

	Number of *shares (Long Position)			
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of LSHK**
Kwek Leng Hai	2,300,000	—	2,300,000	0.95%
Tan Lim Heng	274,000	—	274,000	0.11%
James Eng, Jr.	619,000	—	619,000	0.25%
Ding Wai Chuen	10,000	—	10,000	0.00%

* *Ordinary shares*

(l) BIL International Limited ("BIL")

	Number of *shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of BIL**	
Quek Leng Chan	150,000	811,297,043	811,447,043	59.31%	*Note*
Tan Lim Heng	100,000	—	100,000	0.01%	

* *Ordinary shares*

Note:

Certain information herein is based on additional information of the relevant event(s) before 30 June 2007 with the disclosure deadline(s) under the SFO falling after 30 June 2007.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONT'D)

(B) Associated Corporations (Cont'd)

(I) BIL International Limited ("BIL") (Cont'd)

The corporate interests of 811,297,043 shares comprised the respective direct interests held by:

	Number of shares
Camerlin Group Berhad ("CGB")	303,144,609
Camerlin Investments Limited ("CIL")	1,416,598
High Glory Investments Limited ("HGIL")	506,735,836

CIL was wholly owned by CGB. CGB was 67.35% owned by Brightspring Holdings Limited which was in turn wholly owned by the Company. HGIL was wholly owned by the Company. The controlling shareholder of the Company and its percentage control are shown in the Note under Part (A) above.

(C) Others

Associated Corporations in which Mr Quek Leng Chan was deemed to be interested solely through his deemed controlling interest in HLCM and/or its subsidiaries

Guoman Hotel & Resort Holdings Sdn Bhd
Luck Hock Venture Holdings, Inc.
Hong Leong Industries Berhad
Hong Leong Bank Berhad
Malaysian Pacific Industries Berhad
Carsem (M) Sdn Bhd
Carter Realty Sdn Bhd
Guolene Packaging Industries Berhad
Guocera Tile Industries (Meru) Sdn Bhd
Guocera Tile Industries (Labuan) Sdn Bhd
Hong Leong Fund Management Sdn Bhd
Maxider Sdn Bhd
Hong Leong Yamaha Motor Sdn Bhd
RZA Logistics Sdn Bhd
Lam Soon (Hong Kong) Limited
LS Golden Oils & Fats Limited
Kwok Wah Hong Flour Company Limited
M.C. Packaging Offshore Limited
Lam Soon Ball Yamamura Inc.
Camerlin Group Berhad
HLG Capital Berhad
Hong Leong Tokio Marine Takaful Berhad
Guangzhou Lam Soon Food Products Limited
Shenzhen Lam Soon Edible Oils Company, Limited
Shekou Lam Soon Silo Company Limited

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 Rule 13 of Appendix 16 to the Listing Rules.

Certain directors hold qualifying shares in certain subsidiaries in trust for other subsidiaries of the Company.

Save as disclosed above, as at 30 June 2007, 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 Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules.

SHARE OPTIONS

The Company

Share Option Scheme

A share option scheme (the "Share Option Scheme") was adopted by the Company on 29 November 2001 ("Adoption Date") for the purpose of providing the employees or directors of the Company or any of its subsidiaries or associated companies (the "Eligible Employees") the opportunity of participating in the growth and success of the Group.

The number of new shares of the Company that may be issued upon exercise of all share options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the issued share capital of the Company as at the Adoption Date, i.e. 32,408,137 which represents approximately 9.85% of the shares in issue of the Company on the date of this report. The maximum entitlement for any Eligible Employee in respect of the total number of shares issued and to be issued upon exercise of options granted and to be granted in any 12 months period up to the date of the latest grant does not exceed 1% of the shares of the Company in issue as at any date of grant.

The option price per share payable upon exercise of any share option will be determined by the directors upon the grant of the share option. It will not be less than the greatest of (a) the average closing price of a share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the day of offer of such a share option; (b) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the day of offer of such a share option; and (c) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the share option within 21 days inclusive of, and from the date of making such offer. The exercise period of the share option shall fall within the period from the date of grant and ending on the tenth anniversary of the date of grant in respect of such offer.

The life of the Share Option Scheme is 10 years from the Adoption Date. The Share Option Scheme shall remain valid and effective till 28 November 2010.

No option had ever been granted to any Eligible Employee pursuant to the Share Option Scheme up to 30 June 2007.

Share Option Plan

On 16 December 2002 ("SOP Adoption Date"), the Company adopted a share option plan (the "Share Option Plan") for the purpose of motivating the employees and directors of the group companies and the employees of associated companies (the "Participants") and allowing them to participate in the growth of the Company through the grant of options over existing shares.

Unlike a traditional employee share option scheme, the Share Option Plan does not involve options over newly issued shares of the Company and thereby avoids the uncertainty for the shareholders of potential dilutionary effect on the Company's issued share capital from time to time. A trust (the "Trust") has been set up for the purpose of acquiring existing shares of the Company from time to time to satisfy the exercise of options which may be granted under the Share Option Plan while a wholly-owned subsidiary of the Company as the trustee is responsible for administering the Trust.

The number of existing shares of the Company that may be transferred upon exercise of all share options to be granted under the Share Option Plan shall not in aggregate exceed 10% of the issued share capital of the Company as at the SOP Adoption Date, i.e. 32,496,137 which represents approximately 9.88% of the shares in issue of the Company as at the date of this report. The maximum entitlement for any Participant in respect to the total number of shares transferred and to be transferred upon exercise of options granted and to be granted in any 12 months period up to the date of the latest grant will not exceed 1% of the shares of the Company in issue as at any date of grant.

The exercise price per share of an option for the purchase of a share will not be less than the greatest of (a) the average closing price of a share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the day of offer of such a share option; (b) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the day of offer of such a share option, which must be a business day; and (c) the nominal value of a share.

SHARE OPTIONS (CONT'D)

The Company (Cont'd)

Share Option Plan (Cont'd)

A nominal consideration of HK$1 is payable on acceptance of the share option within 21 days from the date of making such offer. The exercise period of the share option shall fall within the period from the date of grant and ending on the tenth anniversary of the date of grant of such option.

The life of the Share Option Plan is 10 years from the SOP Adoption Date. The Share Option Plan shall remain valid and effective till 15 December 2012.

No option had ever been granted to any Participant pursuant to the Share Option Plan up to 30 June 2007.

GuocoLand Limited ("GLL")

The GuocoLand Limited Executives' Share Option Scheme (the "GLL ESOS") was approved by the shareholders of GLL on 31 December 1998 ("GLL Adoption Date") and further approved by the shareholders of the Company on 1 February 1999.

In October 2004, the approvals of shareholders of GLL and the Company were sought to effect various amendments to the rules of the GLL ESOS (the "Rules") to, among others, allow grant of options over newly issued and/or existing shares of GLL and to align the Rules with Chapter 17 of the Listing Rules (the "Modified GLL ESOS").

The Modified GLL ESOS provides an opportunity for the employees of the GLL Group who have contributed to the growth and development of the GLL Group to participate in the equity of GLL.

A committee (the "ESOS Committee") comprising directors of GLL who are presently not participants of the Modified GLL ESOS shall select confirmed employees of the GLL Group and the executive directors of GLL ("GLL Employees") to become participants in the Modified GLL ESOS.

The number of GLL shares over which the ESOS Committee may grant options under the Modified GLL ESOS on any date shall not in aggregate exceed 5% of the issued share capital of GLL on the day preceding that date, provided that the maximum aggregate number of GLL shares over which the ESOS Committee may grant shall not exceed 10% of the issued share capital of GLL as at 29 October 2004 (the later date of obtaining the aforesaid approvals of shareholders of GLL and the Company). As at the date of this report, the total number of GLL shares available for issue and transfer over which options under the Modified GLL ESOS may be granted is 18,739,865 which represents approximately 2.1% of the issued share capital of GLL.

The maximum entitlement of any GLL Employee shall not exceed 1% of the share capital of GLL in issue in respect of the total number of GLL shares issued or to be issued upon the exercise of options granted in any 12-month period. The grant of option to a GLL Employee shall be accepted within 30 days from the date on which an option is granted accompanied by a payment of S$1 as consideration.

The exercise price per GLL share shall be the average of the closing prices of GLL shares on Singapore Exchange Securities Trading Limited for each of the last five market days immediately prior to the date of grant of the option. An option shall be exercisable on the date after (a) the second anniversary of the date of grant (for GLL Employees who have been employed for less than one year) and (b) the first anniversary of the date of grant (for all other GLL Employees) and to end on a date not later than 10 years after the date of grant.

The Modified GLL ESOS shall continue to be in force at the discretion of the ESOS Committee, subject to a maximum period of 10 years commencing on the GLL Adoption Date. The Modified GLL ESOS shall remain valid and effective till 30 December 2008.

SHARE OPTIONS (CONT'D)

GuocoLand Limited ("GLL") (Cont'd)

As at 1 July 2006, there were 18,500,000 outstanding options granted to selected key executives of GLL pursuant to the Modified GLL ESOS. During the year, an aggregate of 23,750,000 new options were granted and 2,000,000 options were exercised pursuant to the Modified GLL ESOS, and no options had lapsed. Therefore, the number of outstanding options was 40,250,000 as at 30 June 2007. Details of the options granted and exercised are as follows:

Date of grant		No. of options as at 1 July 2006	*Notes*	No. of options as at 30 June 2007	*Notes*	Exercise price per GLL share	*Note*	No. of options exercised during the year	*Note*
1 November 2004		12,500,000	*1*	12,500,000	*1*	S$1.19		—	
30 May 2005		6,000,000	*2a&b*	4,000,000	*2b*	S$1.32		2,000,000	*2c*
19 January 2007		—		23,750,000	*3a&4*	S$2.65	*3b*	—	
	Total:	18,500,000		40,250,000					

Notes:

1. Subject to certain financial and performance targets being met by the grantees during the performance period for the financial years 2004/05 to 2006/07, the grantees may, at any time after 1 July 2007 or, at such other time as may be prescribed by the ESOS Committee at its sole discretion, be notified ("Date of Notification") of the vesting of the options and the number of GLL shares comprised in the vested options. Thereafter, the grantees shall have an exercise period of up to two years from the Date of Notification, or such other period as may be prescribed by the ESOS Committee at its sole discretion, to exercise the vested options in accordance with the terms of their grant.

2a. Under the terms of the grant, a first tranche of 2,000,000 GLL shares may be exercised at any time within one year from 30 May 2006, the first anniversary of the date of grant.

2b. Subject to certain financial and performance targets being met by the grantee during the performance period for the financial years 2005/06 to 2006/07, the grantee shall have an exercise period of up to two years from the date of vesting, or such other period as may be prescribed by the ESOS Committee at its sole discretion, to exercise the vested option of up to the remaining 4,000,000 GLL shares in accordance with the terms of the grant.

2c. The options were exercised on 23 October 2006 and the closing market price per GLL share immediately before that day was S$2.56.

3a. Subject to certain financial and performance targets being met by the grantees during the performance periods for the financial years 2005/06 to 2007/08 and 2008/09 to 2010/11, the grantees may at the end of each performance period be notified by the ESOS Committee of the vesting of the options and the number of GLL shares comprised in the vested options. Thereafter, the grantees shall have a phased period of between six to thirty months to exercise the vested options in accordance with the terms of the grant.

3b. The exercise price was determined based on the average closing price for the five days preceding 19 January 2007. The closing market price per GLL share on 18 January 2007 (the trading date immediately before the date of grant) was S$2.75.

4. Based on the Black-Scholes option pricing model, the fair values of the options granted as at the date of grant on 19 January 2007 ranged from S$0.47 to S$0.73 per option. The assumptions in the Black-Scholes model used to estimate the value of the options are as follows:

   - risk-free interest rate of 3.0% to 3.1%, based on the yields of Singapore Government Securities bonds in issue on the date of grant;
   - expected volatility of 29.5%, based on 1-year historical volatility prior to the date of grant;
   - expected dividend yield of 2.9%, based on historical dividend payout over the market share price of GLL on the date of grant; and
   - expected option life of 1.8 years to 6.8 years.

   The Black-Scholes option pricing model requires the input of subjective assumptions which can affect the fair value estimates. As such, the model does not necessarily provide a single definitive measure of the fair value of the share options granted.

SHARE OPTIONS (CONT'D)

BIL International Limited ("BIL")

The BIL International Share Option Plan (the "BIL Plan")

The BIL Plan was approved by the shareholders of BIL in 2001 to allow the grant of options over newly issued shares of BIL to eligible participants including employees and executive and non-executive directors of BIL and its subsidiaries (the "BIL Group") who are not controlling shareholders of BIL.

There were no outstanding options pursuant to the BIL Plan as at 1 July 2006 and 30 June 2007, and no option had been granted to any eligible participants pursuant to the BIL Plan during the year.

The BIL Executive Share Option Scheme (formerly known as The BIL Value Creation Incentive Share Scheme) (the "BIL Scheme")

The BIL Scheme is a share incentive scheme and was approved by the board of directors of BIL in 2003. Under the BIL Scheme, options over existing shares of BIL may be issued to eligible participants including employees and directors of the BIL Group.

There were no outstanding options pursuant to the BIL Scheme as at 1 July 2006 and 30 June 2007, and no option had been granted to any eligible participants pursuant to the BIL Scheme during the year.

GuocoLand (Malaysia) Berhad ("GLM")

Executive Share Option Scheme (the "GLM ESOS")

The GLM ESOS as approved by the shareholders of GLM, was established on 23 January 2006 ("GLM Adoption Date"). Under the GLM ESOS, the exercise of options could be satisfied through issuance of new shares and/or transfer of existing shares of GLM. On 1 June 2007 ("Approval Date"), the approval of shareholders of the Company was sought to effect various amendments to the Bye-Laws of the GLM ESOS for the purpose of compliance with Chapter 17 of the Listing Rules (the "Modified GLM ESOS").

The Modified GLM ESOS provides an opportunity for the eligible participants (selected by the board of directors of GLM or its duly authorised committee/individual, the "GLM Board") being executives or directors (executive or non-executive) of the GLM Group ("Eligible Participants") who have contributed to the growth and development of the GLM Group to participate in the equity of GLM.

The number of GLM shares over which the GLM Board may grant options under the Modified GLM ESOS on any date shall not in aggregate exceed 15% of the issued share capital of GLM at any one time provided that the total number of new GLM shares which may be issued upon exercise of options to be granted under the Modified GLM ESOS shall not exceed 10% of the issued share capital of GLM as at the Approval Date. Accordingly, the maximum number of GLM shares over which options under the Modified GLM ESOS may be granted is 70,045,851 which represents approximately 10% of the issued share capital of GLM at the date of this report.

The maximum entitlement of any Eligible Participant shall not exceed 1% of the share capital of GLM in issue in respect of the total number of GLM shares issued or to be issued upon the exercise of options granted in any 12-month period. The grant of option to an Eligible Participant shall be accepted within 30 days from the date on which an option is granted accompanied by a payment of RM1 as consideration.

The GLM Board may at its discretion determine the exercise price for each GLM share provided that such exercise price so fixed shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of GLM shares preceding the date of grant and shall in no event be less than the par value of the GLM shares. An option shall be exercisable at any time during the option period which shall be determined by the GLM Board provided that such period shall not be more than 10 years from the GLM Adoption Date.

The Modified GLM ESOS shall continue to be in force for a period of 10 years commencing from the GLM Adoption Date. The Modified GLM ESOS shall remain valid and effective till 22 January 2016.

SHARE OPTIONS (CONT'D)

GuocoLand (Malaysia) Berhad ("GLM") (Cont'd)

Executive Share Option Scheme (the "GLM ESOS") (Cont'd)

Since the establishment up to 30 June 2007, no option had been granted pursuant to the Modified GLM ESOS.

Save for above, certain other subsidiaries of Hong Leong Company (Malaysia) Berhad maintain share option schemes or plans which subsisted at the end of the year or at any time during the year, under which eligible directors of the Company may be granted share options for acquisition of shares of respective companies concerned. No person, being a director of the Company during the year, held shares acquired in pursuance of certain aforesaid share option schemes or plans.

Apart from the above, at no time during the year was the Company, its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 30 June 2007, 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 (Long Position)**	**Approx. % of the issued share capital**	*Notes*
Hong Leong Company (Malaysia) Berhad ("HLCM")	Interest of controlled corporations	228,230,391	69.36%	*1 & 2*
HL Holdings Sdn Bhd ("HLH")	Interest of controlled corporations	228,230,391	69.36%	*1, 3 & 4*
Hong Leong Investment Holdings Pte Ltd ("HLInvt")	Interest of controlled corporations	228,230,391	69.36%	*1, 3 & 5*
Kwek Holdings Pte Ltd ("KH")	Interest of controlled corporations	228,230,391	69.36%	*1, 3 & 6*
Davos Investment Holdings Private Limited ("Davos")	Interest of controlled corporations	228,230,391	69.36%	*1, 3 & 7*
Kwek Leng Kee ("KLK")	Interest of controlled corporations	228,230,391	69.36%	*1, 3 & 8*
Third Avenue Management LLC	Investment Manager	16,440,300	5.00%	
Arnhold and S. Bleichroeder Advisers, LLC	Investment Manager	16,449,000	5.00%	

Notes:

1. Certain information herein is based on additional information of the relevant event(s) before 30 June 2007 with the disclosure deadline(s) under the SFO falling after 30 June 2007.

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS (CONT'D)

Notes: (cont'd)

2. These interests comprised 220,036,309 ordinary shares of the Company and 8,194,082 underlying shares of unlisted cash settled derivatives.

   These interests comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	217,778,529
GuoLine Capital Limited ("GCL")	6,425,000
Asian Financial Common Wealth Limited ("AFCW")	4,026,862

   AFCW was wholly owned by the Company which was in turn 65.65% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which was in turn wholly owned by HLCM.

3. The interests of HLCM, HLH, HLInvt, KH, Davos and KLK are duplicated.

4. HLH was deemed to be interested in these interests through its controlling interests in HLCM which was 49.11% owned by HLH (46.68%) and Mr Quek Leng Chan (2.43%).

5. HLInvt was deemed to be interested in these interests through its controlling interests of 34.49% in HLCM.

6. KH was deemed to be interested in these interests through its controlling interests of 49.00% in HLInvt.

7. Davos was deemed to be interested in these interests through its controlling interests of 33.59% in HLInvt.

8. KLK was deemed to be interested in these interests through his controlling interests of 41.92% in Davos.

Save as disclosed above, as at 30 June 2007, 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 would fall to 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.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

Management Services Agreements

The following management services agreements were entered into by the Company and its subsidiaries (the "Group") with Hong Leong group companies for the provision by the latter of certain management services including formulation of strategy and planning, overseeing investment and financial management, treasury and risk management services, technical assistance with respect to operating practices and procedures, accounting and other services ("Services"):

1. *Services Agreement dated 21 August 2001 between the Company and Hong Leong Overseas (H.K.) Limited (renamed as GOMC Limited, "GOMC") as amended by a supplemental services agreement dated 31 August 2005 and a letter agreement dated 23 February 2007 for the provision of Services by GOMC to the Company, its subsidiaries and associated companies from time to time ("GOMC Services Agreement")*

   The consideration for the Services provided under the GOMC Services Agreement comprises a monthly charge of HK$100,000 (or such other amount as may be agreed from time to time between GOMC and the Company) and an annual fee equal to (i) 3% of the annual consolidated profits before tax of the Group for each financial year less (ii) the portion of any annual fee amount paid or payable in respect of the relevant financial year by any subsidiary and associated company of the Company (whose profits are equity accounted for or consolidated into the group accounts of the Company) to any Hong Leong group company for services of a similar nature as the Services, if any, representing the effective proportion of the Company's shareholding in such subsidiary and associated company.

   The term of the GOMC Services Agreement as amended is for a period of three years ending 30 June 2008. The Company may renew the agreement for additional consecutive terms of three years by giving three months' notice.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (CONT'D)

Management Services Agreements (Cont'd)

2. *Services Agreement dated 3 January 2005 between GuocoLand (Malaysia) Berhad ("GLM") and HL Management Co Sdn Bhd ("HLMC") as amended by a supplemental services agreement dated 14 February 2007 for the provision of Services by HLMC to GLM group companies from time to time ("GLM Services Agreement")*

   The consideration for the Services provided under the GLM Services Agreement comprises a monthly charge as may be agreed from time to time between GLM and HLMC (currently RM10,000) and an annual fee equal to (i) 3% of the annual consolidated profits before tax of the GLM group for each financial year less (ii) the portion of any annual fee amount paid or payable in respect of the relevant financial year by any subsidiary and associated company of GLM (whose profits are equity accounted for or consolidated into the group accounts of GLM) to any Hong Leong group company for services of a similar nature as the Services, if any, representing the effective proportion of GLM's shareholding in such subsidiary and associated company.

   The GLM Services Agreement is for an initial term commencing from 1 January 2005 to 30 June 2006 and an additional term commencing from 1 July 2006 to 30 June 2008. GLM may renew the agreement for additional consecutive terms of three years by giving six months' notice.

3. *Services Agreement dated 27 February 2006 between Camerlin Group Berhad ("CGB") and HLMC as amended by a supplemental services agreement dated 14 February 2007 for the provision of Services by HLMC to CGB group companies from time to time ("CGB Services Agreement")*

   The consideration for the Services provided under the CGB Services Agreement comprises a monthly charge as may be agreed from time to time between CGB and HLMC (currently RM10,000) and an annual fee equal to (i) 3% of the annual consolidated profits before tax of the CGB group for each financial year less (ii) the portion of any annual fee amount paid or payable in respect of the relevant financial year by any subsidiary and associated company of CGB (whose profits are equity accounted for or consolidated into the group accounts of CGB) to any Hong Leong group company for services of a similar nature as the Services, if any, representing the effective proportion of CGB's shareholding in such subsidiary and associated company.

   The CGB Services Agreement is for two years commencing from 1 July 2006 to 30 June 2008. CGB may renew the agreement for additional consecutive terms of three years by giving six months' notice.

4. *Services Agreement dated 14 February 2007 between BIL International Limited ("BIL") and GIMC Limited ("GIMC") for the provision of Services by GIMC to BIL group companies from time to time ("BIL Services Agreement")*

   The consideration for the Services provided under the BIL Services Agreement comprises a monthly charge of S$20,000 (or such amount as may be agreed from time to time between BIL and GIMC) and an annual fee equal to (i) 3% of the audited annual consolidated profits before tax of BIL for each financial year less (ii) the portion of any annual fee amount paid or payable in respect of the relevant financial year by any subsidiary and associated company of BIL (whose profits are equity accounted for or consolidated into the group accounts of BIL) to any Hong Leong group company for services of a similar nature as the Services, if any, representing the effective proportion of BIL's shareholding in such subsidiary and associated company.

   The term of the BIL Services Agreement is for a period of two financial years from 1 July 2006 to 30 June 2008. BIL may renew the agreement for additional consecutive terms of three years by giving six months' notice.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (CONT'D)

Management Services Agreements (Cont'd)

5. *Services Agreement dated 14 February 2007 between Thistle Hotels Limited (renamed as Guoman Hotels Limited, "Guoman") and GIMC for the provision of Services by GIMC to Guoman group companies from time to time ("Guoman Services Agreement")*

   The consideration for the Services provided under the Guoman Services Agreement comprises a monthly charge of US$20,000 (or such amount as may be agreed from time to time between Guoman and GIMC) and an annual fee equal to (i) 3% of the audited annual consolidated profits before tax of Guoman for each financial year less (ii) the portion of any annual fee amount paid or payable in respect of the relevant financial year by any subsidiary and associated company of Guoman (whose profits are equity accounted for or consolidated into the group accounts of Guoman) to any Hong Leong group company for services of a similar nature as the Services, if any, representing the effective proportion of Guoman's shareholding in such subsidiary and associated company.

   The term of the Guoman Services Agreement is for a period of two financial years from 1 July 2006 to 30 June 2008. Guoman may renew the agreement for additional consecutive terms of three years by giving six months' notice.

6. *Services Agreement dated 14 February 2007 between BIL Gaming Operations UK Limited (renamed as Clermont Leisure (UK) Limited, "Clermont Leisure") and GIMC for the provision of Services by GIMC to Clermont Leisure group of companies from time to time ("Clermont Leisure Services Agreement")*

   The consideration for the Services provided under the Clermont Leisure Services Agreement comprises a monthly charge of US$5,000 (or such amount as may be agreed from time to time between Clermont Leisure and GIMC) and an annual fee equal to (i) 3% of the audited annual consolidated profits before tax of Clermont Leisure for each financial year less (ii) the portion of any annual fee amount paid or payable in respect of the relevant financial year by any subsidiary and associated company of Clermont Leisure (whose profits are equity accounted for or consolidated into the group accounts of Clermont Leisure) to any Hong Leong group company for services of a similar nature as the Services, if any, representing the effective proportion of Clermont Leisure's shareholding in such subsidiary and associated company.

   The term of the Clermont Leisure Services Agreement is for a period from 1 January 2007 to 30 June 2008. Clermont Leisure may renew the agreement for additional consecutive terms of three years by giving six months' notice.

(collectively, the "Management Services Agreements")

Pursuant to the respective management services agreements, the total fees paid or payable by each of GLM, CGB, BIL, Guoman and Clermont Leisure together with other fees paid or payable by other subsidiaries of the Company to Hong Leong Group for similar services as the Services are subject to an annual cap of HK$224 million (the "Annual Cap"). In the event that the Annual Cap is exceeded, the excess of the fees will be payable after the Company has complied with the relevant Listing Rules requirements (including to obtain independent shareholders' approval, if necessary).

GOMC, GIMC and HLMC are indirect wholly-owned subsidiaries of Hong Leong Company (Malaysia) Berhad ("HLCM"), the ultimate holding company of the Company and thus they are associates of connected person of the Company under the Listing Rules.

As Mr Quek Leng Chan and his associate own 5% or more of the issued shares of HLCM, he is deemed materially interested in the Management Services Agreements pursuant to the Bye-Laws of the Company.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (CONT'D)

Management Services Agreements (Cont'd)

The independent non-executive directors of the Company had reviewed the transactions under the Management Services Agreements during the year and confirmed that:

a. the transactions under the Management Services Agreements for the year were entered into:

   i) in the ordinary and usual course of business of the Company;

   ii) on terms no less favourable to the Group than the respective terms available from independent third parties; and

   iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and

b. the total services fees paid and payable by the Group under the respective Management Services Agreement for the year were as follows:

	Services Fees Paid and Payable by the Group HK$'000
GOMC Services Agreement	132,641
GLM Services Agreement	1,639
CGB Services Agreement	264
BIL Services Agreement	1,211
Guoman Services Agreement	5,161
Clermont Leisure Services Agreement	234
Total:	141,150

The aggregate of the services fees paid and payable by the Company and its subsidiaries under the Management Services Agreements for the year amounted to approximately HK$141 million which did not exceed the Annual Cap of HK$224 million as disclosed in the Company's announcements dated 31 August 2005 and 14 February 2007.

Share Option Schemes

1. *Executives' Share Option Scheme of GuocoLand Limited*

GuocoLand Limited ("GLL") obtained shareholders' approval in October 2004 to modify its Executives' Share Option Scheme (the "GLL ESOS") to provide for the satisfaction of the exercise of options through issue of new GLL shares and/or transfer of existing GLL shares. Approval of the shareholders of the Company on such modification to the GLL ESOS was also obtained in October 2004.

A trust for the GLL ESOS (the "GLL Trust") was established pursuant to a trust deed (the "Trust Deed") between GLL and a trustee of the GLL Trust (the "Trustee" which is a trust company unrelated to GLL) to acquire existing GLL shares for the purpose of the GLL ESOS. GLL or its subsidiaries ("GLL Group") will provide finances to the GLL Trust from time to time to enable it to acquire the existing GLL shares for the purpose of the GLL ESOS.

The GLL Trust, whose beneficiaries include eligible participants of the GLL ESOS who may be executive directors of the GLL Group, is deemed to be connected person of the Company under the Listing Rules.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (CONT'D)

Share Option Schemes (Cont'd)

1. *Executives' Share Option Scheme of GuocoLand Limited (Cont'd)*

The grant of options to connected persons pursuant to the GLL ESOS and the provision of finances to the GLL Trust from time to time (the "GLL ESOS Transactions") constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The independent non-executive directors of the Company had reviewed the GLL ESOS Transactions during the year and confirmed that:

a. a total of 23,000,000 options was granted under the GLL ESOS during the year to executive directors of the GLL Group, being connected persons of the Company under the Listing Rules;

b. during the year, the maximum subsisting amount of the finances provided by the GLL Group for the purchases of existing GLL shares was approximately S$107 million (approximately HK$537 million) which did not exceed the cap amount of HK$926 million or its equivalence as stated in the circular issued by the Company dated 28 September 2004 and approved by the shareholders of the Company in the special general meeting held on 15 October 2004; and

c. during the year, the GLL ESOS Transactions were entered into:

— in the ordinary and usual course of business of the Company;

— on normal commercial terms; and

— in accordance with the relevant document governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

2. *The BIL Value Creation Incentive Share Scheme ("BIL Scheme") of BIL International Limited*

The BIL Scheme is a share incentive scheme and was approved by the board of directors of BIL International Limited ("BIL") in 2003.

Under the BIL Scheme, options over existing shares of BIL may be issued to eligible participants including employees and executive directors of the BIL Group. The purpose of the BIL Scheme is to enable the participants to have an opportunity to have a personal equity interest in BIL and help to align their interests with that of the shareholders of BIL.

A trust for the BIL Scheme (the "BIL Trust") was established pursuant to a trust deed (the "BIL Trust Deed") between BIL and a trustee of the BIL Trust (the "BIL Trustee" which is a trust company unrelated to BIL) to acquire existing BIL shares for the purpose of the BIL Scheme. The BIL Group will provide finances to the BIL Trust from time to time to enable it to acquire existing BIL shares for the purpose of the BIL Scheme.

The BIL Trust, whose beneficiaries include eligible participants of the BIL Scheme who may be directors and chief executives of the BIL Group , is deemed to be connected person of the Company under the Listing Rules.

The grant of options to connected persons of the Company pursuant to the BIL Scheme and the provision of finances to the BIL Trust from time to time (the "BIL Scheme Transactions") constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (CONT'D)

Share Option Schemes (Cont'd)

2. *The BIL Value Creation Incentive Share Scheme ("BIL Scheme") of BIL International Limited (Cont'd)*

The independent non-executive directors of the Company had reviewed the BIL Scheme Transactions during the year and confirmed that:

a. there was no grant of options under the BIL Scheme for the year; and

b. during the year, the maximum subsisting amount of the finances provided by the BIL Group for the purchases of existing BIL shares was approximately S$28 million which did not exceed the cap amount of S$60 million as disclosed in the announcement of the Company dated 16 December 2005. The provision of such finances were made:

— in the ordinary and usual course of business of the Company;

— on normal commercial terms; and

— in accordance with the relevant document governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

3. *The Executive Share Option Scheme ("GLM ESOS") of GuocoLand (Malaysia) Berhad*

The GLM ESOS was approved and adopted by the shareholders of GuocoLand (Malaysia) Berhad ("GLM") in January 2006 to provide for the satisfaction of the exercise of options through issue of new GLM shares and/or transfer of existing GLM shares. The GLM ESOS with modifications in compliance with the Hong Kong Listing Rules was approved by the shareholders of the Company in June 2007.

A trust for the GLM ESOS (the "GLM Trust") was established pursuant to a trust deed (the "Trust Deed") between GLM and a trustee of the GLM Trust (the "Trustee" which is an indirect subsidiary of Hong Leong Company (Malaysia) Berhad, the holding company of the Company) to acquire existing GLM shares for the purpose of the GLM ESOS. GLM or its subsidiaries ("GLM Group") will provide finances to the GLM Trust from time to time to enable it to acquire the existing GLM shares for the purpose of the GLM ESOS.

The GLM Trust, whose beneficiaries include eligible participants of the GLM ESOS who may be chief executives and directors of the GLM Group, is deemed to be connected person of the Company under the Listing Rules.

The grant of options to connected persons of the Company pursuant to the GLM ESOS and the provision of finances to the GLM Trust (the "GLM ESOS Transactions") from time to time constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The independent non-executive directors of the Company had reviewed the GLM ESOS Transactions during the year and confirmed that:

a. there was no grant of options under the GLM ESOS during the year; and

b. during the year, the maximum subsisting amount of the finances provided by the GLM Group for the purchases of existing GLM shares was approximately RM24 million which did not exceed the cap amount of RM150 million as disclosed in the announcement of the Company dated 1 June 2007. The provision of such finances were made:

— in the ordinary and usual course of business of the Company;

— on normal commercial terms; and

— in accordance with the relevant document governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (CONT'D)

Banking Transactions

The Group has from time to time entered into, and may in future enter into, among others, the following transactions with the authorised financial institutions within Hong Leong Group including Hong Leong Bank Berhad ("HLB") and Hong Leong Islamic Bank Berhad ("HLIB") (collectively, "Hong Leong Financial Institutions"):

— placing of deposits by the Group with Hong Leong Financial Institutions; and

— subscription for or purchase by the Group of debt securities issued by Hong Leong Financial Institutions,

(collectively, the "Banking Transactions").

The Banking Transactions are part of the treasury activities of the Group in the ordinary and usual course of its business. The treasury functions involve the management of cashflows and cash resources, which the Group conducts with various financial institutions.

HLB is an indirect subsidiary of HLCM and a subsidiary of an associated company of the Company while HLIB is a wholly owned subsidiary of HLB. HLCM is a substantial shareholder of the Company and the Banking Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As Mr Quek Leng Chan and his associate own 5% or more of the issued shares of HLCM, he is deemed materially interested in the Banking Transactions, if any, pursuant to the Bye-Laws of the Company.

From time to time during the year, the Group had placed deposits (including savings, current and other deposits in various currencies) with Hong Leong Financial Institutions as the deposit accepting banks (the "Deposit Transactions"). As at 30 June 2007, the balance of deposits placed by the Group with Hong Leong Financial Institutions was approximately HK$238 million.

The Deposit Transactions are based on the relevant market rates at the time of each transaction and are broadly the same as those engaged by the Group with other unconnected financial institutions. The interest rate for the savings and time deposits for various currencies placed by the Group with the Hong Leong Financial Institutions ranged from 1.25% to 3.3% per annum. The tenor of the time deposits ranged from overnight to 3 weeks.

The independent non-executive directors of the Company had reviewed the Banking Transactions during the year and confirmed that:

a. during the year, there is no subscription for or purchase by the Group of debt securities issued by Hong Leong Financial Institutions;

b. during the year, the maximum aggregate outstanding balance of deposits placed by the Group with Hong Leong Financial Institutions was approximately US$63 million which did not exceed the cap amount of US$95 million or its equivalence as disclosed in the announcement of the Company dated 11 October 2006; and

c. the Deposit Transactions were entered into:

    — in the ordinary and usual course of business of the Company;

    — on normal commercial terms; and

    — in accordance with the relevant documents governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (CONT'D)

Others

During the year, the Group regularly conducts investment, insurance, stockbroking, nominee, custodian, share registration, lease of premises and other activities in the ordinary course of business and on normal commercial terms with subsidiaries of, and companies related to, HLCM.

As Mr Quek Leng Chan and his associate own 5% or more of the issued shares of HLCM, he is deemed materially interested in the aforesaid transactions pursuant to the Bye-Laws of the Company.

Apart from the above, no contract of significance, to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Messrs Quek Leng Chan, Kwek Leng Hai and Kwek Leng San are directors of HLCM, the ultimate holding company of the Company, which is a conglomerate based in Malaysia with diversified businesses in manufacturing and distribution, financial services, property development and investment as well as hospitality and leisure.

The above directors are considered as having interests in business apart from the Group's business, which is likely to compete, directly or indirectly, with the Group's business under paragraph 8.10 of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors, the Company maintained sufficient public float at all times during the year.

AUDITORS

A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

Kwek Leng Hai
President, CEO

Hong Kong, 14 September 2007

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GUOCO GROUP LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Guoco Group Limited (the "Company") set out on pages 58 to 139, which comprise the consolidated and company balance sheets as at 30 June 2007, and the consolidated income statement, the consolidated statement of changes of equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road, Central
Hong Kong, 14 September 2007

Consolidated Income Statement

For the year ended 30 June 2007

	Note	2007 US$'000	2006 (Restated) US$'000	2007 HK$'000 (Note 1(c))	2006 (Restated) HK$'000 (Note 1(c))
	44				
Turnover	5	**2,678,095**	5,660,014	**20,933,999**	43,951,141
Cost of sales		**(2,054,419)**	(4,850,174)	**(16,058,879)**	(37,662,571)
Other attributable costs		**(21,657)**	(9,587)	**(169,287)**	(74,445)
		602,019	800,253	**4,705,833**	6,214,125
Other revenue	6(a)	**41,117**	18,005	**321,401**	139,812
Other net income	6(b)	**198,895**	47,388	**1,554,712**	367,977
Administrative and other operating expenses		**(279,530)**	(167,115)	**(2,185,016)**	(1,297,681)
Profit from operations before finance cost		**562,501**	698,531	**4,396,930**	5,424,233
Finance cost	7(a)	**(105,008)**	(49,270)	**(820,821)**	(382,591)
Profit from operations	14	**457,493**	649,261	**3,576,109**	5,041,642
Valuation gains on investment properties		**76,828**	22,912	**600,545**	177,916
Profit on disposal of subsidiaries		**10,939**	—	**85,507**	—
Share of profits of associates	7(c)	**52,038**	68,036	**406,768**	528,312
Share of profits less losses of jointly controlled entities	7(c)	**1,849**	20,652	**14,453**	160,367
Profit for the year before taxation	7	**599,147**	760,861	**4,683,382**	5,908,237
Tax income	8(a)	**7,202**	18,016	**56,296**	139,898
Profit for the year		**606,349**	778,877	**4,739,678**	6,048,135
Attributable to:					
Shareholders of the Company	11	**546,371**	725,876	**4,270,845**	5,636,572
Minority interests		**59,978**	53,001	**468,833**	411,563
Profit for the year		**606,349**	778,877	**4,739,678**	6,048,135
Appropriations:					
Final dividend paid in respect of 2005/2006		**(125,281)**	(125,981)	**(979,290)**	(978,268)
Special dividend paid in respect of 2005/2006		**(41,760)**	—	**(326,427)**	—
Interim dividend paid in respect of 2006/2007		**(41,602)**	(41,961)	**(325,193)**	(325,836)
	12	**(208,643)**	(167,942)	**(1,630,910)**	(1,304,104)
Earnings per share		**US$**	US$	**HK$**	HK$
Basic	13	**1.68**	2.22	**13.14**	17.22
Diluted	13	**1.67**	2.21	**13.03**	17.19
		US$'000	US$'000	**HK$'000**	HK$'000
Proposed final dividend	12	**138,916**	127,125	**1,085,870**	987,154
		US$'000	US$'000	**HK$'000**	HK$'000
Proposed special dividend	12	**—**	42,375	**—**	329,051

Consolidated Balance Sheet

As at 30 June 2007

	Note	2007 US$'000	2006 US$'000	2007 HK$'000 (Note 1(c))	2006 HK$'000 (Note 1(c))
NON-CURRENT ASSETS					
Fixed assets					
— Investment properties	15	**278,027**	194,326	**2,173,268**	1,508,980
— Other property, plant and equipment	15	**1,550,245**	1,439,961	**12,117,878**	11,181,585
Interest in associates	18	**484,729**	259,740	**3,789,005**	2,016,933
Interest in jointly controlled entities	19	**98,228**	109,775	**767,824**	852,425
Available-for-sale financial assets	22	**41,634**	15,278	**325,443**	118,636
Deferred tax assets	35	**1,190**	957	**9,302**	7,431
Intangible assets	16	**188,053**	118,305	**1,469,963**	918,662
Goodwill	23	**29,192**	1,380	**228,187**	10,716
		2,671,298	2,139,722	**20,880,870**	16,615,368
CURRENT ASSETS					
Development properties	24	**1,243,647**	957,339	**9,721,278**	7,433,929
Properties held for sale	25	**34,279**	75,832	**267,950**	588,851
Trade and other receivables	26	**574,709**	278,611	**4,492,357**	2,163,470
Trading financial assets	27	**1,175,440**	509,337	**9,188,121**	3,955,104
Cash and short term funds	28	**3,164,066**	3,421,735	**24,732,712**	26,570,457
		6,192,141	5,242,854	**48,402,418**	40,711,811
Assets held for sale	29	**—**	88,150	**—**	684,502
CURRENT LIABILITIES					
Trade and other payables	30	**432,878**	287,278	**3,383,699**	2,230,771
Current portion of bank loans and other borrowings	32	**245,833**	248,857	**1,921,615**	1,932,424
Taxation	8(c)	**32,634**	36,151	**255,092**	280,720
Provisions and other liabilities	31	**5,939**	2,892	**46,424**	22,457
		717,284	575,178	**5,606,830**	4,466,372
NET CURRENT ASSETS		**5,474,857**	4,755,826	**42,795,588**	36,929,941
TOTAL ASSETS LESS CURRENT LIABILITIES		**8,146,155**	6,895,548	**63,676,458**	53,545,309
NON-CURRENT LIABILITIES					
Non-current portion of bank loans and other borrowings	33	**1,795,001**	1,004,682	**14,031,074**	7,801,557
Provisions and other liabilities	31	**24,185**	34,804	**189,048**	270,260
Deferred tax liabilities	35	**141,359**	135,671	**1,104,968**	1,053,512
		1,960,545	1,175,157	**15,325,090**	9,125,329
NET ASSETS		**6,185,610**	5,720,391	**48,351,368**	44,419,980

Consolidated Balance Sheet

As at 30 June 2007

	Note	**2007 US$'000**	2006 US$'000	**2007 HK$'000 (Note 1(c))**	2006 HK$'000 (Note 1(c))
CAPITAL AND RESERVES					
Share capital	36	**164,526**	164,526	**1,286,059**	1,277,577
Reserves	36	**5,021,536**	4,589,821	**39,252,092**	35,640,878
Equity attributable to shareholders of the Company		**5,186,062**	4,754,347	**40,538,151**	36,918,455
Minority interests	36	**999,548**	966,044	**7,813,217**	7,501,525
TOTAL EQUITY		**6,185,610**	5,720,391	**48,351,368**	44,419,980

Approved and authorised for issue by the Board of Directors on 14 September 2007

Kwek Leng Hai
James Eng, Jr.
Directors

The notes on pages 65 to 139 form part of these financial statements.

Balance Sheet

As at 30 June 2007

	Note	2007 US$'000	2006 US$'000	2007 HK$'000 (Note 1(c))	2006 HK$'000 (Note 1(c))
NON-CURRENT ASSETS					
Interest in subsidiaries	17	**1,961,468**	915,762	**15,332,305**	7,111,075
Held-to-maturity financial assets	21	**162,131**	—	**1,267,337**	—
Available-for-sale financial assets	22	**203**	203	**1,587**	1,576
		2,123,802	915,965	**16,601,229**	7,112,651
CURRENT ASSETS					
Trade and other receivables	26	**11,309**	10,205	**88,400**	79,244
Cash and short term funds	28	**2,308,583**	3,001,503	**18,045,616**	23,307,271
		2,319,892	3,011,708	**18,134,016**	23,386,515
CURRENT LIABILITIES					
Amounts due to subsidiaries	17	**807,792**	319,354	**6,314,308**	2,479,848
Trade and other payables	30	**17,435**	23,930	**136,285**	185,821
		825,227	343,284	**6,450,593**	2,665,669
NET CURRENT ASSETS		**1,494,665**	2,668,424	**11,683,423**	20,720,846
NET ASSETS		**3,618,467**	3,584,389	**28,284,652**	27,833,497
CAPITAL AND RESERVES					
Share capital	36	**164,526**	164,526	**1,286,059**	1,277,577
Reserves	36	**3,453,941**	3,419,863	**26,998,593**	26,555,920
TOTAL EQUITY		**3,618,467**	3,584,389	**28,284,652**	27,833,497

Approved and authorised for issue by the Board of Directors on 14 September 2007

Kwek Leng Hai
James Eng, Jr.
Directors

The notes on pages 65 to 139 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2007

	2007 US$'000	2006 US$'000	**2007 HK$'000 (Note 1(c))**	2006 HK$'000 (Note 1(c))
Total equity at 1 July	**5,720,391**	4,591,838	**44,419,980**	35,687,765
Exchange adjustments	**—**	—	**294,888**	(31,225)
	5,720,391	4,591,838	**44,714,868**	35,656,540
Net income for the year recognised directly in equity:				
Exchange differences on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	**128,676**	49,704	**1,005,828**	385,963
Changes in fair value and disposal of available-for-sale financial assets	**19,517**	(34,536)	**152,560**	(268,179)
Net income for the year recognised directly in equity	**148,193**	15,168	**1,158,388**	117,784
Net profit for the year	**606,349**	778,877	**4,739,678**	6,048,135
Total recognised income and expenses for the year	**754,542**	794,045	**5,898,066**	6,165,919
Attributable to:				
Shareholders of the Company	**630,210**	734,137	**4,926,194**	5,700,721
Minority interests	**124,332**	59,908	**971,872**	465,198
	754,542	794,045	**5,898,066**	6,165,919
Share of subsidiaries' and associates' capital and other reserves movement	**26,257**	(58,249)	**205,244**	(452,314)
Share of new subsidiaries' reserves in relation to the interests previously acquired	**—**	37,097	**—**	288,066
Equity settled share-based transactions	**1,636**	(332)	**12,788**	(2,578)
Purchase of own shares for Share Option Plan	**—**	(30,892)	**—**	(239,883)
Increase in fair value of fixed assets and development properties shared by previously held interests in associates	**—**	28,124	**—**	218,388
Minority interests on acquisition of subsidiaries	**(93,325)**	548,171	**(729,498)**	4,256,657
Disposal of interest in subsidiaries	**(182)**	—	**(1,423)**	—
Dividends paid to minority interests	**(23,532)**	(24,269)	**(183,944)**	(188,454)
Capital contribution from minority interests	**1,202**	315	**9,396**	2,446
Exercise of warrants and conversion of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") issued by a subsidiary	**7,264**	(625)	**56,781**	(4,853)
Dilution of interests in a subsidiary arising from conversion of preference shares to ordinary shares	**—**	3,110	**—**	24,150
Dividends paid	**(208,643)**	(167,942)	**(1,630,910)**	(1,304,104)
Total equity at 30 June	**6,185,610**	5,720,391	**48,351,368**	44,419,980

The notes on pages 65 to 139 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 30 June 2007

	Note	2007 US$'000	2006 US$'000
Operating activities			
Profit for the year before taxation		**599,147**	760,861
Adjustments for:			
— Finance cost		**105,008**	49,270
— Interest income		**(200,950)**	(102,548)
— Dividend income		**(18,064)**	(32,396)
— Depreciation		**35,466**	21,117
— Impairment loss on fixed assets		**6,103**	—
— Amortisation of Bass Strait oil and gas royalty		**6,008**	4,224
— Equity settled share-based payment expenses		**1,740**	417
— Recognition of negative goodwill		**(1,096)**	(37,226)
— Dilution loss on conversion of Non-redeemable Convertible Cumulative Preference Shares ("NCCPS")		**—**	3,110
— Dilution gain on interest in an associate		**(1,212)**	—
— Profit on disposal of subsidiaries		**(10,939)**	—
— Valuation gains on investment properties		**(76,828)**	(22,912)
— Cash distribution on investments		**(236)**	(10,347)
— Impairment loss write-back on development properties		**(40,057)**	(16,186)
— Share of profits of associates		**(52,038)**	(68,036)
— Share of profits less losses of jointly controlled entities		**(1,849)**	(20,652)
— Net losses on disposal of fixed assets		**1,621**	7,867
— Write-back of rental yield guarantee provision		**(1,424)**	—
Operating profit before changes in working capital		**350,400**	536,563
(Increase)/decrease in trade and other receivables		**(290,336)**	6,165
(Increase)/decrease in trading financial assets		**(665,260)**	26,638
(Increase)/decrease in available-for-sale financial assets		**(11,678)**	87,418
Increase in development properties		**(228,781)**	(228,405)
Decrease in properties held for sale		**75,764**	79,143
Decrease in provisions and other liabilities		**(7,572)**	—
Increase in trade and other payables		**140,737**	47,955
Cash (used in)/generated from operations		**(636,726)**	555,477
Interest received		**202,727**	96,988
Dividend received on equity investment		**17,263**	36,263
Tax paid			
— Hong Kong Profits Tax paid		**(5,424)**	(4,184)
— Overseas tax paid		**(1,912)**	(24,311)
— Overseas tax refund		**2,472**	—
Net cash (used in)/from operating activities		**(421,600)**	660,233

Consolidated Cash Flow Statement

For the year ended 30 June 2007

	Note	2007 US$'000	2006 US$'000
Investing activities			
Purchase of interest in associates		**(90,561)**	(1,743)
Acquisition of subsidiaries	37(b)	**(120,138)**	(204,720)
Net (advance to)/repayment from associates		**(24,254)**	10,123
Net repayment from jointly controlled entities		**1,205**	30,256
Purchase of fixed assets		**(29,109)**	(15,205)
Proceeds from disposal of subsidiaries	37(d)	**13,642**	—
Proceeds from disposal of fixed assets		**532**	287
Proceeds from disposal of assets held for sale		**85,188**	—
Cash distribution on investments		**236**	10,347
Dividends received from associates		**24,394**	30,444
Settlement of equity swap		**15,876**	13,695
Purchase of additional shareholdings in subsidiaries		**(114,916)**	(25,024)
Net cash used in investing activities		**(237,905)**	(151,540)
Financing activities			
Share issue by a subsidiary		**—**	247
Purchase of ordinary shares for Executives' Share Option Scheme by subsidiaries		**(12,463)**	(58,646)
Proceeds from conversion of ICULS and exercise of warrants in a subsidiary		**6,746**	—
Consideration received from employee upon exercise of share option		**1,723**	—
Purchase of own shares for Share Option Plan		**—**	(30,892)
Contribution from minority shareholders		**1,202**	21,827
Proceeds from bank loans		**302,705**	129,135
(Repayment of)/proceeds from other borrowings		**(19,584)**	65,749
Proceeds from medium term notes		**23,773**	—
Proceeds from convertible bonds		**447,154**	—
Interest paid		**(122,089)**	(69,738)
Dividends paid to minority shareholders		**(23,532)**	(24,269)
Dividends paid		**(208,643)**	(167,942)
Net cash from/(used in) financing activities		**396,992**	(134,529)
Net (decrease)/increase in cash and cash equivalents		**(262,513)**	374,164
Cash and cash equivalents at 1 July	28	**3,421,735**	3,032,611
Effect of foreign exchanges rates		**4,844**	14,960
Cash and cash equivalents at 30 June	28	**3,164,066**	3,421,735

The notes on pages 65 to 139 form part of these financial statements.

Notes to the Financial Statements

1. BASIS OF PREPARATION

(a) Statement of compliance

Although not required to do so under the Bye-Laws of the Company, these financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The adoption of the new standards, amendments and interpretations had no material impact on the Group's results and financial position. Accordingly, no prior period adjustment has been required.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2007 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The measurement basis used in the preparation of the financial statements is the historical cost modified by the revaluation of investment properties and the marking to market of certain financial instruments as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

(c) Hong Kong dollar amounts

The Hong Kong dollar figures shown in the consolidated income statement and the balance sheet are for information only. The Company's functional currency is United States dollars. The Hong Kong dollar figures are translated from United States dollars at the rates ruling at the respective financial year ends.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(i) Interest income

— Interest income is recognised as it accrues using the effective interest method.

(ii) Dividends

— Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

— Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iii) Revenue arising from pre-sale of properties is recognised in the financial statements upon completion of the development of the property. Provision for foreseeable loss is made in the year in which such loss is determined.

(iv) Revenue arising from the disposal of other properties is recognised when substantially all the conditions of sales have been met and the risks and rewards of ownership have been transferred to the buyers.

(v) Rental income receivable under operating leases is recognised in the income statement in equal instalments over the periods covered by the lease term.

(vi) Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(vii) Commission and brokerage income in respect of trading securities is recognised on a trade date basis when the relevant transactions are executed.

(viii) Casino revenue represents the gaming win before deduction of gaming duty.

(b) Investments

(i) Investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and jointly controlled entities, are as follows:

Investments in debt and equity securities are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss.

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the balance sheet at amortised cost less impairment losses (see note 2(k)(i)).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investments (cont'd)

(i) Investments in debt and equity securities (cont'd)

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity, except foreign exchange gains and losses in respect of monetary items such as debt securities which are recognised directly in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss. When these investments are derecognised or impaired (see note 2(k)(i)), the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 2(k)(i)).

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments, or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(ii) Subsidiaries and minority interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investments (cont'd)

(ii) Subsidiaries and minority interests (cont'd)

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and shareholders of the Company. Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

Loans from holders of minority interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet depending on the nature of the liability.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)(ii)).

(iii) Associates and jointly controlled entities

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group or Company and other parties, where the contractual arrangement establishes that the Group or Company and one or more of the other parties share joint control over the economic activity of the entity.

An investment in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's or the jointly controlled entity's net assets. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates and jointly controlled entities for the year, including any impairment loss on goodwill relating to the investment in associates and jointly controlled entities recognised for the year (see notes 2(d) and 2(k)(ii)).

When the Group's share of losses exceeds its interest in the associate or the jointly controlled entity, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or the jointly controlled entity. For this purpose, the Group's interest in the associate or the jointly controlled entity is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the jointly controlled entity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investments (cont'd)

(iii) Associates and jointly controlled entities (cont'd)

Unrealised profits and losses resulting from transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in the associate or jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the Company's balance sheet, its investments in associates and jointly controlled entities are stated at cost less impairment losses (see note 2(k)(ii)).

(c) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is charged immediately to profit or loss.

(d) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate or a jointly controlled entity over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2(k)(ii)). In respect of associates or jointly controlled entities, the carrying amount of goodwill is included in the carrying amount of the interest in the associate or jointly controlled entity.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate or a jointly controlled entity is recognised immediately in profit or loss.

On disposal of a cash-generating unit, an associate or a jointly controlled entity during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(e) Intangible assets

Intangible assets that are acquired by the Group are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(k)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Fixed assets and depreciation

(i) Properties are stated at cost less accumulated depreciation and impairment loss (see note 2(k)(ii)). Depreciation is calculated to write off the cost of the assets less their estimated residual value using the straight-line method over their estimated useful lives as follows:

— Freehold land is not depreciated.

— Building situated on freehold land are depreciated over their remaining useful economic lives (up to 100 years).

— Land held under operating leases and buildings thereon, where the fair values of the leasehold interest in the land and buildings cannot be reliably measured separately at the inception of the lease are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.

(ii) Furniture, fixtures and equipment are stated at cost less accumulated depreciation and impairment loss (see note 2(k)(ii)). Depreciation is calculated on a straight-line basis to write off the cost of the assets over their estimated useful lives, taken as being between 3 to 15 years.

(iii) Both the useful life of an asset and its residual value, if any, are reviewed annually.

(iv) On disposal of fixed assets, the profit or loss is determined as the difference between the net sale proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(g) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(h)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(a)(v).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(h)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(h).

(h) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Leased assets (cont'd)

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

— property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 2(g)); and

— land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance lease. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(g)) or is held for development for sale (see note 2(i)).

(i) Properties held for sale

Properties held for sale are included in the balance sheet at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Development properties

Development properties are stated at the lower of cost and estimated net realisable value, net of progress billings. Land, related acquisition expenses, development expenditure, interest and other related expenditure are capitalised as part of the cost of development properties.

(k) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

— For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.

— For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

— For available-for-sale financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

  Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

  Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of assets (cont'd)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment (other than properties carried at revalued amounts);

— intangible assets;

— investments in subsidiaries, associates and joint ventures; and

— goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest rate method.

(m) Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends on preference share capital classified as equity are recognised as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. The liability is recognised in accordance with the Group's policy for interest-bearing borrowings set out in note 2(l) and accordingly dividends thereon are recognised on an accruals basis in profit or loss as part of finance costs.

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 2(k)(ii)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect or discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 2(k)(ii)).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value, and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Convertible bonds

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible bonds is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the note is converted or redeemed.

If the bond is converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, the capital reserve is released directly to retained profits.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Income tax (cont'd)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

  — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) Translation of foreign currencies

Foreign currency transactions during the year are translated into United States dollars at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into United States dollars at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised directly in equity.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into United States dollars at the average exchange rates for the year. Balance sheet items are translated into United States dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(t) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to the Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as expenses in the income statement as incurred.

The Group also contributed to retirement schemes of its overseas subsidiaries in accordance with their respective requirements and the contributions thereto are charged to the income statement for the year.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Employee benefits (cont'd)

(ii) Defined benefit retirement plan obligations

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the future pension benefits to existing pensioners; those benefits are discounted to determine the present value and the fair value of any plan assets is deducted. The calculations are performed by a qualified actuary using the projected unit credit method. The amount of the excess of the present value of each fund's liabilities over the fair value of that fund's assets is recognised in the income statement upon notification to the Group. The discount rate is the yield at the balance sheet date on AAA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are accumulated in the balance sheet. Any gains or losses greater than 10% of a scheme's assets or liabilities are written off to the income statement over the average remaining service lives of the scheme's employees.

(iii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in equity. The fair value is measured at grant date using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in reserves until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(u) Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(v)(iii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Contingent liabilities acquired in business combinations

Contingent liabilities acquired as part of a business combination are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2(v)(iii). Contingent liabilities acquired in a business combination that cannot be reliably fair valued are disclosed in accordance with note 2(v)(iii).

(iii) Other provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(x) Non-current assets/liabilities held for sale

Immediately before classification as held for sale, the measurement of the relevant assets (or all assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable HKFRSs. Then on initial classification as held for sale, non-current assets and disposal groups are measured at the lower of carrying amount and fair value less costs to sell. Any differences are taken to the income statement.

(y) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process except to the extent that such intra-group balances and transactions are between Group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Segment reporting (cont'd)

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

(i) Business segments

The Group comprises the following main business segments:

Proprietary asset management	:	Conduct treasury and investment management activities
Property development	:	Development of residential and commercial properties
Property investment	:	Holding properties for rental income
Securities, commodities and brokerage	:	Stock and commodity broking
Hotel and gaming operations	:	Hotel and casino operations
Oil and gas	:	Interest in the Bass Strait oil and gas royalty stream

(ii) Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The key assumptions concerning the future and the accounting estimates that have a significant effect on the carrying value of assets and liabilities in the balance sheet and the profit or loss items are discussed below:

(a) Investment properties (Note 15)

At 30 June 2007 and 2006, investment properties are stated at fair value based on the valuation performed by the independent professional valuers. The valuers have determined the fair value based on a method of valuation which involves certain estimates. In relying on the valuation report prepared by the valuers, management has reviewed the valuation including the assumptions and estimates adopted. Management has exercised its judgement and is satisfied with the method of valuation.

(b) Impairment of assets

The Group tests at least annually whether goodwill and other assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit has been determined based on value-in-use calculations. There are a number of assumptions and estimates involved in the calculations.

(c) Income taxes (Note 8 & 35)

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on its estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences would impact the income tax and deferred tax provisions in the period in which such determination is made.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(d) Equity settled share-based transactions (Note 39)

The Black-Scholes option pricing model was applied to estimate the fair value of share options granted by the Company and certain of its subsidiaries. This pricing model requires the input of highly subjective assumptions, including the volatility of share price. The changes in input assumptions can materially affect the fair value estimate.

(e) Defined benefit retirement plan obligations (Note 38)

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future pension benefits to existing pensioners. Those benefits are discounted to determine the present value and the fair value of any plan assets is deducted. The calculations are performed by a qualified actuary using the projected unit credit method. The amount of the excess of the present value of each plan's liabilities over the fair value of that plan's assets is recognised in the income statement upon notification to the Group.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include cash and short term funds, equities, debt securities and other investments, derivative financial instruments, trade and other receivables and borrowings. The Group's activities expose it to credit risk, foreign currency risk, liquidity risk, interest rate risk and other pricing risk. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

(a) Credit risk

The Group's credit risks are primarily attributable to bank deposits, debt securities, derivative financial instruments and trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's bank deposits are only deposited in and debt securities are only purchased from counterparties which have high credit quality. Transactions involving derivative financial instruments are with counterparties with sound credit ratings. The Group has limits for exposures to individual counterparty and country to manage concentration risk.

The Group's credit exposure in property business is minimal as customers mostly fund their purchases of residential housing units with mortgaged home loans from independent financial institutions.

(b) Foreign currency risk

Structural foreign currency positions arise mainly on overseas investments in Singapore, Malaysia, PRC and United Kingdom. Currency exposure to these overseas investments is managed primarily at the Group level with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations.

The Group has entered into foreign exchange rate related contracts, which are primarily over-the-counter derivatives, for hedging foreign currency exposures or dealing purposes. All foreign currency positions are tightly managed and monitored within approved limits.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk

Liquidity is managed on a daily basis by the treasury and finance departments. They are responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches. The Group manages liquidity risk by holding sufficient liquid assets of appropriate quality to ensure that short term funding requirements are covered within prudent limits.

(d) Interest rate risk

The Group's interest rate positions arise from treasury activities and borrowings. Interest rate risk is managed by the treasury department within approved limits. The Group also uses interest rate swaps and other derivatives to manage interest rate risk. For details of the interest rates and repricing analysis, please refer to note 40.

(e) Other pricing risk

The Group has invested in listed equity securities and they are measured at fair value at each balance sheet date. Therefore, the Group is exposed to equity price risk. Management will monitor the price movements and take appropriate actions when it is required.

5. TURNOVER

The principal activity of the Company is investment holding. The principal activities of the subsidiaries which materially affected the results or assets of the Group during the year include proprietary asset management, property development and investment, securities and commodities broking, investment advisory and hotel and gaming operations.

An analysis of the amount of each significant category of revenue recognised as turnover during the year is as follows:

	The Group	
	2007	2006
	US$'000	US$'000
Proceeds from sale of investments in securities	**1,810,871**	5,111,197
Revenue from sale of properties	**208,719**	152,797
Revenue from hotel and gaming operations	**416,775**	244,436
Interest income		
— from listed securities	**164**	1,505
— others	**200,786**	101,043
Dividend income from listed securities	**18,064**	32,396
Rental income from properties	**12,852**	9,406
Securities commission and brokerage	**7,528**	6,541
Others	**2,336**	693
	2,678,095	5,660,014

6. OTHER REVENUE AND NET INCOME

(a) Other revenue

	The Group	
	2007	2006
	US$'000	US$'000
Sublease income	**9,306**	2,405
Bass Strait oil and gas royalty	**21,383**	12,042
Hotel management fee	**8,655**	—
Others	**1,773**	3,558
	41,117	18,005

(b) Other net income

	The Group	
	2007	2006
	US$'000	US$'000
Net unrealised gains on trading financial assets	**171,015**	26,836
Net realised and unrealised gains on derivative financial instruments	**6,639**	9,140
Net exchange gains/(losses) on FX contracts	**5,671**	(2,083)
Other exchange gains	**12,446**	6,276
Net losses on disposal of fixed assets	**(1,621)**	(7,867)
Dilution gain on interest in an associate	**1,212**	—
Real estate tax rebate income	**—**	4,280
Cash distributions from investments	**236**	10,347
Write-back of rental yield guarantee provision	**1,424**	—
Others	**1,873**	459
	198,895	47,388

7. PROFIT FOR THE YEAR BEFORE TAXATION

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

(a) Finance cost

	The Group	
	2007	2006
	US$'000	US$'000
Interest on bank advances and other borrowings wholly repayable within five years	**77,246**	27,434
Other borrowing costs	**46,436**	33,803
Total borrowing costs	**123,682**	61,237
Less: borrowing costs capitalised into development properties (Note)	**(18,674)**	(11,967)
	105,008	49,270

Note: The borrowing costs have been capitalised at rates of 3.23% to 6.00% per annum (2006: 2.99% to 5.38%).

7. PROFIT FOR THE YEAR BEFORE TAXATION (CONT'D)

(b) Staff cost

	The Group	
	2007	2006
	US$'000	US$'000
Contributions to defined contribution retirement plan	**1,972**	1,133
Expenses recognised in respect of defined benefit retirement plans	**1,102**	1,286
Retirement costs	**3,074**	2,419
Equity settled share-based payment expenses	**1,740**	417
Salaries, wages and other benefits	**152,900**	101,812
	157,714	104,648

(c) Other items

	The Group	
	2007	2006
		(Restated)
	US$'000	US$'000
Depreciation	**35,466**	21,117
Impairment loss write-back on properties	**(40,057)**	(16,186)
Impairment loss on fixed assets	**6,103**	—
Amortisation of Bass Strait oil and gas royalty	**6,008**	4,224
Operating lease charges		
— properties	**2,387**	1,095
— others	**2,024**	1,799
Auditors' remuneration		
— audit services	**989**	771
— tax services	**342**	157
— other services	**12**	88
Donations	**310**	320
Recognition of negative goodwill	**(1,096)**	(37,226)
Gross rental income from investment properties	**(12,852)**	(9,406)
Less: direct outgoings	**7,210**	3,815
Net rental income	**(5,642)**	(5,591)
Share of profits of associates:		
— listed	**(35,289)**	(43,336)
— unlisted	**(16,749)**	(24,700)
	(52,038)	(68,036)
Share of profits less losses of jointly controlled entities:		
— unlisted	**(1,849)**	(20,652)

8. TAXATION

(a) Tax income/(expenses) in the consolidated income statement represents:

	The Group	
	2007	2006
	US$'000	US$'000
Current tax — Provision for Hong Kong Profits Tax		
Tax for the year	**(5,509)**	(13,451)
(Under)/over-provision in respect of prior years	**(187)**	713
	(5,696)	(12,738)
Current tax — Overseas		
Tax for the year	**2,738**	(15,199)
Over-provision in respect of prior years	**3,507**	4,933
	6,245	(10,266)
Deferred tax		
Over-provision in respect of prior years	**—**	32,240
Origination and reversal of temporary differences	**(1,861)**	8,801
Utilisation of deferred tax asset in relation to tax losses	**—**	(21)
Benefit of previously unrecognised tax losses recognised during the year	**(2,666)**	—
Effect of changes in tax rate on deferred tax balances	**11,180**	—
	6,653	41,020
	7,202	18,016

The provision for Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the year ended 30 June 2007. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

8. TAXATION (CONT'D)

(b) Reconciliation between tax income/(expense) and accounting profit at applicable tax rates:

	The Group			
	2007		2006	
	US$'000	**%**	US$'000	%
Profit before tax	**599,147**		760,861	
Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned	**(119,492)**	**(19.9)**	(130,563)	(17.1)
Deferred tax not recognised	**1,647**	**0.3**	(696)	(0.1)
Tax effect of non-deductible expenses	**(19,795)**	**(3.3)**	(14,226)	(1.9)
Tax effect of non-taxable revenue	**120,296**	**20.1**	127,429	16.7
Tax effect of unused tax losses not recognised	**(7,524)**	**(1.3)**	(5,279)	(0.7)
Tax effect of utilisation of tax losses not previously recognised	**14,886**	**2.5**	10,851	1.4
Reversal of temporary differences not accounted for in previous years	**141**	**—**	127	—
Tax effect on opening deferred tax balances resulting from the change of tax rate during the year	**11,180**	**1.9**	—	—
Over-provision in respect of prior years	**3,320**	**0.5**	37,886	5.0
Others	**2,543**	**0.4**	(7,513)	(1.0)
Actual tax income	**7,202**	**1.2**	18,016	2.3

(c) Taxation in the balance sheet represents:

	The Group	
	2007	2006
	US$'000	US$'000
Hong Kong Profits Tax	**15,776**	15,558
Overseas taxation	**16,858**	20,593
Taxation payable	**32,634**	36,151
Amount of taxation payable expected to be settled after more than 1 year	**79**	1,535

9. DIRECTORS' REMUNERATION

Directors' emoluments comprises payments to Directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The amounts paid and payable to each Director of the Company for the year ended 30 June 2007 are as below:

	The Group				
Name	**Fees US$'000**	**Salaries, allowances and benefits in kind US$'000**	**Discretionary bonuses US$'000**	**Pension contributions US$'000**	**2007 Total emoluments US$'000**
Quek Leng Chan	**116**	**170**	**—**	**—**	**286**
Kwek Leng Hai	**101**	**692**	**237**	**52**	**1,082**
Sat Pal Khattar **	**74**	**—**	**—**	**—**	**74**
Kwek Leng San *	**26**	**—**	**—**	**—**	**26**
Tan Lim Heng	**26**	**384**	**212**	**23**	**645**
James Eng, Jr.	**26**	**468**	**77**	**2**	**573**
Harry Richard Wilkinson **(1)	**11**	**—**	**—**	**—**	**11**
Volker Stoeckel **	**36**	**—**	**—**	**—**	**36**
Ding Wai Chuen **(2)	**25**	**—**	**—**	**—**	**25**
	441	**1,714**	**526**	**77**	**2,758**

	The Group				
Name	Fees US$'000	Salaries, allowances and benefits in kind US$'000	Discretionary bonuses US$'000	Pension contributions US$'000	2006 Total emoluments US$'000
Quek Leng Chan	85	164	—	—	249
Kwek Leng Hai	86	652	3,673	48	4,459
Sat Pal Khattar **	68	—	—	—	68
Kwek Leng San *	26	—	—	—	26
Tan Lim Heng	26	379	253	22	680
James Eng, Jr.	26	455	258	2	741
Harry Richard Wilkinson **(1)	39	—	—	—	39
Volker Stoeckel **	36	—	—	—	36
	392	1,650	4,184	72	6,298

Notes:

(1) Resigned with effect on 16 October 2006

(2) Appointed with effect on 16 October 2006

* Non-executive director

** Independent non-executive director

10. EMOLUMENTS OF THE FIVE HIGHEST PAID INDIVIDUALS

Among the five highest paid individuals of the Group, one (2006: one) is a director whose remuneration is disclosed in Note 9. The remuneration of the other four (2006: four) individuals is as follows:

	The Group	
	2007	2006
	US$'000	US$'000
Salaries, allowances and benefits in kind	**2,337**	1,759
Discretionary bonuses	**2,047**	3,276
Share-based payments	**715**	158
Pension contributions	**61**	31
	5,160	5,224

The number of individuals whose remuneration falls within the following bands is:

	The Group	
	2007	2006
US$	**Number of individuals**	Number of individuals
900,001 – 950,000	**1**	—
950,001 – 1,000,000	**—**	1
1,050,001 – 1,100,000	**1**	—
1,200,001 – 1,250,000	**—**	1
1,300,001 – 1,350,000	**—**	1
1,500,001 – 1,550,000	**1**	—
1,600,001 – 1,650,000	**1**	—
1,700,001 – 1,750,000	**—**	1
	4	4

11. PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to shareholders of the Company includes a profit of US$245,304,000 (2006: US$354,954,000) which has been dealt with in the financial statements of the Company.

12. DIVIDENDS

	The Group		The Company	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
Year 2005/2006: Final dividend paid of HK$3.00 per share (Year 2004/2005: HK$3.00 per share)	**125,281**	125,981	**126,834**	127,250
Year 2005/2006: Special dividend paid of HK$1.00 per share (Year 2004/2005: Nil)	**41,760**	—	**42,278**	—
Year 2006/2007: Interim dividend paid of HK$1.00 per share (Year 2005/2006: HK$1.00 per share)	**41,602**	41,961	**42,114**	42,410
	208,643	167,942	**211,226**	169,660
Year 2006/2007: Proposed final dividend of HK$3.30 per share (Year 2005/2006: HK$3.00 per share)	**138,916**	127,125	**138,916**	127,125
Year 2006/2007: Proposed nil special dividend per share (Year 2005/2006: HK$1.00 per share)	**—**	42,375	**—**	42,375

The proposed final dividend for the year ended 30 June 2007 of US$138,916,000 (2006: US$127,125,000) is calculated based on 329,051,373 ordinary shares (2006: 329,051,373 ordinary shares) in issue as at 30 June 2007.

13. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of US$546,371,000 (2006: US$725,876,000) and the weighted average number of 325,024,511 ordinary shares (2006: 327,317,936 ordinary shares) in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to shareholders of the Company of US$541,618,000 (2006: US$724,767,000) and the weighted average number of 325,024,511 ordinary shares (2006: 327,317,936 ordinary shares) in issue during the year after adjusting for the effect of all dilutive potential ordinary shares.

14. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because that is more relevant to the Group's internal financial reporting.

Business Segments

For the year ended 30 June 2007

	Proprietary asset management US$'000	Property development US$'000	Property investment US$'000	Securities, commodities and brokerage US$'000	Hotel and gaming operations US$'000	Oil and gas US$'000	Inter-segment elimination US$'000	Total US$'000
Turnover	2,028,046	208,719	13,085	11,470	416,775	—	—	2,678,095
Inter-segment turnover	58,453	—	880	275	—	—	(59,608)	—
	2,086,499	208,719	13,965	11,745	416,775	—	(59,608)	2,678,095
Contribution from operations	447,453	58,273	7,079	5,270	47,313	15,239	—	580,627
Unallocated income								622
Unallocated expenses								(18,748)
Profit from operations before finance cost								562,501
Finance cost								(105,008)
Profit from operations								457,493
Valuation gains on investment properties	—	—	76,828	—	—	—	—	76,828
Profit on disposal of subsidiaries	—	—	—	—	10,939	—	—	10,939
Share of profits of associates	43,554	8,484	—	—	—	—	—	52,038
Share of profits less losses of jointly controlled entities	—	1,849	—	—	—	—	—	1,849
Profit for the year before taxation								599,147
Tax income								7,202
Profit for the year								606,349

14. SEGMENT INFORMATION (CONT'D)

Business Segments (cont'd)

For the year ended 30 June 2006 (Restated)

	Proprietary asset management US$'000	Property development US$'000	Property investment US$'000	Securities, commodities and brokerage US$'000	Hotel and gaming operations US$'000	Oil and gas US$'000	Inter-segment elimination US$'000	Total US$'000
Turnover	5,243,989	152,797	9,644	9,148	244,436	—	—	5,660,014
Inter-segment turnover	76,867	—	619	646	—	—	(78,132)	—
	5,320,856	152,797	10,263	9,794	244,436	—	(78,132)	5,660,014
Contribution from operations	636,455	23,580	16,027	4,185	(10,796)	7,743	—	677,194
Unallocated income								43,724
Unallocated expenses								(22,387)
Profit from operations before finance cost								698,531
Finance cost								(49,270)
Profit from operations								649,261
Valuation gains on investment properties	—	—	22,912	—	—	—	—	22,912
Share of profits of associates	45,683	8,293	—	—	14,060	—	—	68,036
Share of profits less losses of jointly controlled entities	—	20,652	—	—	—	—	—	20,652
Profit for the year before taxation								760,861
Tax income								18,016
Profit for the year								778,877

14. SEGMENT INFORMATION (CONT'D)

Business Segments (cont'd)

Assets and liabilities

	Proprietary asset management US$'000	Property development US$'000	Property investment US$'000	Securities, commodities and brokerage US$'000	Hotel and gaming operations US$'000	Oil and gas US$'000	Other operations US$'000	Total US$'000
As at 30 June 2007								
Segment assets	**3,741,174**	**1,781,436**	**292,291**	**158,086**	**1,680,150**	**140,685**	**—**	**7,793,822**
Interest in associates	**293,944**	**190,575**	**—**	**—**	**210**	**—**	**—**	**484,729**
Interest in jointly controlled entities	**—**	**38,464**	**3,367**	**—**	**—**	**—**	**56,397**	**98,228**
Unallocated assets								**486,660**
Total assets								**8,863,439**
Segment liabilities	**201,515**	**917,643**	**4,095**	**37,722**	**776,131**	**473**	**—**	**1,937,579**
Unallocated liabilities								**740,250**
Total liabilities								**2,677,829**
As at 30 June 2006 (Restated)								
			(Note)					
Segment assets	3,700,397	1,308,939	334,012	30,679	1,478,107	125,939	—	6,978,073
Interest in associates	246,507	13,030	—	—	203	—	—	259,740
Interest in jointly controlled entities	754	57,364	—	—	—	—	51,657	109,775
Unallocated assets								123,138
Total assets								7,470,726
Segment liabilities	140,786	745,339	32,893	13,162	608,861	324	—	1,541,365
Unallocated liabilities								208,970
Total liabilities								1,750,335

Note:

US$88,150,000 assets held for sale has been presented in the property investment segment as at 30 June 2006.

14. SEGMENT INFORMATION (CONT'D)

Business Segments (cont'd)

Other information

	Proprietary asset management US$'000	Property development US$'000	Property investment US$'000	Securities, commodities and brokerage US$'000	Hotel and gaming operations US$'000	Oil and gas US$'000	Other operations US$'000	Total US$'000
2007								
Capital expenditure incurred during the year	**1,391**	**4,595**	**2**	**294**	**22,827**	**—**	**—**	**29,109**
Depreciation and amortisation for the year	**967**	**250**	**5**	**193**	**34,051**	**6,008**	**—**	**41,474**
2006								
Capital expenditure incurred during the year	925	225	—	333	13,722	—	—	15,205
Depreciation and amortisation for the year	875	216	—	77	19,949	4,224	—	25,341

Geographical Segments

	Turnover			Profit from operations	
	2007	2006		**2007**	2006 (Restated)
	US$'000	US$'000		**US$'000**	US$'000
Hong Kong	**2,015,413**	5,112,837		**437,324**	577,039
United Kingdom	**401,308**	244,436		**2,197**	(40,973)
Singapore	**60,061**	211,879	Note	**9,145**	71,591
PRC & others	**201,313**	90,862	Note	**8,827**	41,604
	2,678,095	5,660,014		**457,493**	649,261

	Segment assets			Capital expenditure	
	2007	2006		**2007**	2006
	US$'000	US$'000		**US$'000**	US$'000
Hong Kong	**3,848,256**	3,732,431		**349**	452
United Kingdom	**1,628,200**	1,423,200		**21,864**	13,722
Singapore	**1,434,634**	870,580		**1,133**	820
PRC & others	**1,952,349**	1,444,515		**5,763**	211
	8,863,439	7,470,726		**29,109**	15,205

Note:

In accordance with applicable Hong Kong Financial Reporting Standards, the Group has recognised revenue arising from the pre-sale of properties upon completion of development projects instead of using the percentage of completion method adopted by GuocoLand Limited ("GLL") as permitted under the relevant Singapore Accounting Standards. Accordingly, operating profits of GLL for the year amounting to US$5.4 million (2006: US$3.7 million) and US$45.5 million (2006: US$0.6 million) in Singapore and PRC & other regions respectively have been deferred for recognition in the Group accounts. Up to 30 June 2007, accumulated operating profits of GLL totalling US$9.1 million in Singapore and US$46.1 million in PRC & other regions have been deferred for recognition, which will only be recognised by the Group upon completion of the relevant development projects in subsequent years.

15. FIXED ASSETS

	The Group					
	Investment properties US$'000	**Interests in leasehold land and buildings** US$'000	**Freehold land and buildings** US$'000	**Furniture, fixtures and equipment** US$'000	**Other property, plant and equipment** US$'000	**Total** US$'000
Cost or valuation						
At 1 July 2005	218,680	18,619	—	6,877	25,496	244,176
Additions through acquisition of subsidiaries	29,104	805,825	471,430	382,976	1,660,231	1,689,335
Additions	—	3,949	383	10,873	15,205	15,205
Disposals	—	—	—	(10,168)	(10,168)	(10,168)
Transfer to assets held for sale	(88,150)	—	—	—	—	(88,150)
Surplus on revaluation	22,912	—	—	—	—	22,912
Exchange adjustments	11,780	30,311	16,742	14,867	61,920	73,700
At 30 June 2006	194,326	858,704	488,555	405,425	1,752,684	1,947,010
Representing:						
Cost	—	858,704	488,555	405,425	1,752,684	1,752,684
Valuation — 2006	194,326	—	—	—	—	194,326
	194,326	858,704	488,555	405,425	1,752,684	1,947,010
Cost or valuation						
At 1 July 2006	194,326	858,704	488,555	405,425	1,752,684	1,947,010
Additions through acquisition of subsidiaries	—	891	—	835	1,726	1,726
Additions	—	3,494	4,763	20,852	29,109	29,109
Disposals through disposal of subsidiaries	—	(4,362)	—	(784)	(5,146)	(5,146)
Disposals and written off	—	(1,460)	(603)	(13,831)	(15,894)	(15,894)
Impairment (Note)	—	—	—	(6,103)	(6,103)	(6,103)
Surplus on revaluation	76,828	—	—	—	—	76,828
Exchange adjustments	6,873	76,128	43,969	36,647	156,744	163,617
At 30 June 2007	278,027	933,395	536,684	443,041	1,913,120	2,191,147
Representing:						
Cost	—	933,395	536,684	443,041	1,913,120	1,913,120
Valuation — 2007	278,027	—	—	—	—	278,027
	278,027	933,395	536,684	443,041	1,913,120	2,191,147

15. FIXED ASSETS (CONT'D)

	The Group					
	Investment properties US$'000	Interests in leasehold land and buildings US$'000	Freehold land and buildings US$'000	Furniture, fixtures and equipment US$'000	Other property, plant and equipment US$'000	Total US$'000
Accumulated amortisation and depreciation						
At 1 July 2005	—	8,705	—	5,379	14,084	14,084
Additions through acquisition of subsidiaries	—	20,792	2,653	244,801	268,246	268,246
Charge for the year	—	1,091	264	19,762	21,117	21,117
Written back on disposals	—	—	—	(2,014)	(2,014)	(2,014)
Exchange adjustments	—	877	113	10,300	11,290	11,290
At 30 June 2006	—	31,465	3,030	278,228	312,723	312,723
At 1 July 2006	—	31,465	3,030	278,228	312,723	312,723
Charge for the year	—	3,636	738	31,092	35,466	35,466
Written back through disposal of subsidiaries	—	(213)	—	(236)	(449)	(449)
Written back on disposals and written off	—	(1,364)	(128)	(12,249)	(13,741)	(13,741)
Exchange adjustments	—	2,162	299	26,415	28,876	28,876
At 30 June 2007	—	35,686	3,939	323,250	362,875	362,875
Net book value						
At 30 June 2007	278,027	897,709	532,745	119,791	1,550,245	1,828,272
At 30 June 2006	194,326	827,239	485,525	127,197	1,439,961	1,634,287

Note:

The impairment loss on property, plant and equipment is included in administrative and other operating expenses in the consolidated income statement.

15. FIXED ASSETS (CONT'D)

(a) The analysis of net book value of properties is as follows:

	The Group	
	2007	2006
	US$'000	US$'000
In Hong Kong:		
— Leasehold with over 50 years unexpired	**18,808**	18,028
— Leasehold with between 10 to 50 years unexpired	**36,845**	36,732
— Leasehold with less than 10 years unexpired	**8**	8
Outside Hong Kong:		
— Leasehold with over 50 years unexpired	**1,106,902**	952,563
— Leasehold with between 10 to 50 years unexpired	**—**	4,170
— Freehold	**545,918**	495,589
	1,708,481	1,507,090

(b) The Group's investment properties are located in Hong Kong, Singapore and Malaysia. The properties which are located in Singapore were valued on an open market basis as at 30 June 2007 by CB Richard Ellis Limited, an independent firm of professional valuers, who are members of the Singapore Institute of Surveyors and Valuers. The properties in Malaysia were revalued on an open market basis as at 30 June 2007 by Raine & Home International Zaki & Partners Sdn Bhd, a firm which is registered with the Board of Valuers, Appraisers and Estate Agents, Malaysia. The properties in Hong Kong were revalued on an open market basis as at 30 June 2007 by CB Richard Ellis Limited, an independent firm of professional valuers, who are members of the Hong Kong Institute of Surveyors.

(c) Certain of the Group's properties with a book value of US$1,082.6 million (2006: US$993.7 million) were pledged for bank loans and mortgage debenture stock.

(d) The Group leases out investment properties under operating leases. The leases typically run for an initial period of one to three years. None of the leases includes contingent rentals. The gross carrying amounts of investment properties of the Group held for use in operating leases were US$278,027,000 (2006: US$194,326,000).

(e) All properties held under operating leases that would otherwise meet the definition of investment properties are classified as investment properties.

16. INTANGIBLE ASSETS

	The Group		
	Casino licenses and brand name	**Bass Strait oil and gas royalty**	**Total**
	US$'000	US$'000	US$'000
Cost			
At 1 July 2006	—	140,569	140,569
Additions through acquisition of a subsidiary	59,142	—	59,142
Exchange adjustments	—	20,261	20,261
At 30 June 2007	59,142	160,830	219,972
Amortisation			
At 1 July 2006	—	22,264	22,264
Charge for the year	—	6,008	6,008
Exchange adjustments	—	3,647	3,647
At 30 June 2007	—	31,919	31,919
Net book value			
At 30 June 2007	59,142	128,911	188,053
At 30 June 2006	—	118,305	118,305

The Bass Strait oil and gas royalty represents the Group's interest in the Bass Strait Oil Trust. It is stated at cost less accumulated amortisation and impairment losses. The cost is amortised on a straight-line basis so that the amortisation charge for the year is included in administrative and other operating expenses in the consolidated income statement so as to write off the cost over its estimated useful lives of 25 years.

The casino licenses and brand name are with infinite useful lives and are stated at cost less provision for impairment losses.

17. INTEREST IN SUBSIDIARIES

	The Company	
	2007	2006
	US$'000	US$'000
Unlisted shares	**24,663**	25,236
Amounts due from subsidiaries	**1,936,805**	890,526
	1,961,468	915,762
Amounts due to subsidiaries	**807,792**	319,354

US$101,272,000 amount due from a subsidiary bears interest at 3.375% to 4.85% per annum and is unsecured and has no fixed repayment term. The remaining outstanding balances are unsecured, interest free and have no fixed repayment term.

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

(a) Details of the principal subsidiaries incorporated and operating in Hong Kong are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Group	Principal activities
Asia Fountain Investment Company Limited	2 shares of HK$10 each	—	100	Investment trading
BIL (Far East Holdings) Limited	635,855,324 shares of HK$1 each	—	52	Investment holding
Dao Heng Commodities Limited	100,000 shares of HK$100 each	—	100	Commodities broking
Dao Heng Securities Limited	120,000 shares of HK$100 each	—	100	Stockbroking and securities trading
Guoco Management Company Limited	2 shares of HK$1 each	100	100	Provision of general management services
Guoco Investments (China) Limited	10,000,000 shares of HK$1 each	100	100	Investment holding
GuocoEquity Assets Limited (formerly known as Dao Heng Enterprises Limited)	23,000,000 shares of HK$1 each	100	100	Investment holding

17. INTEREST IN SUBSIDIARIES (CONT'D)

(b) Details of the principal subsidiaries incorporated and operating in Singapore are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
BIL Management Pte Ltd	2 shares of S$1 each	—	52	Management company
Branmil Holdings Pte Ltd	2 shares of S$1 each	—	64	Investment holding
Chelford Pte Ltd	2 shares of S$1 each	—	64	Investment holding
Cheltenham Investments Pte Ltd	500,000 shares of S$1 each	—	64	Investment holding
Da Zhong Investment Pte Ltd	4,000,000 shares of S$1 each	—	64	Investment holding
Elias Development Pte Ltd	7,500,000 shares of S$1 each	—	64	Property development
Everian Holdings Pte Ltd	32,000,000 shares of S$1 each	—	64	Property development
FCC Equities Pte Ltd	4,500,000 shares of S$1 each	—	64	Investment holding and trading
FCC Net Pte Ltd	2 shares of S$1 each	—	64	Investment holding
First Bedok Land Pte Ltd	101,000,000 shares of S$1 each	—	64	Property development
First Capital Asia Pte Ltd	19,000,000 shares of S$1 each	—	64	Investment holding
First Capital Assets Pte Ltd	15,000,000 shares of S$1 each	—	64	Investment holding
First Capital Development Pte Ltd	1,000,000 shares of S$1 each	—	64	Property investment
First Capital Realty Pte Ltd	30,000,000 shares of S$1 each	—	64	Property development
First Coventry Development Pte Ltd	17,830,000 shares of S$1 each	—	64	Property development
First Garden Development Pte Ltd	80,000,000 shares of S$1 each	—	58	Property development

17. INTEREST IN SUBSIDIARIES (CONT'D)

(b) Details of the principal subsidiaries incorporated and operating in Singapore are as follows: (cont'd)

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
First Meyer Development Pte Ltd	118,930,000 shares of S$1 each	—	64	Property development
GLL Land Pte. Ltd.	70,000,000 shares of S$1 each	—	64	Property investment
GLL (Malaysia) Pte. Ltd.	58,000,000 shares of S$1 each	—	64	Investment holding
Goodwood Residence Development Pte Ltd (formerly known as Fasidon Holdings Pte Ltd)	172,000,000 shares of S$1 each	—	64	Property development
Guoco Assets Pte Ltd	2 shares of S$1 each	100	100	Investment holding
Guoco Investment Services Pte Ltd	50,000 shares of S$1 each	100	100	Provision of investment advisory services
Guoco Property Management Pte Ltd	2 shares of S$1 each	—	64	Property management
GuocoLand Limited	665,647,468 shares of S$1 each	—	64	Investment holding
GuocoLand Asset Pte. Ltd. (formerly known as Guoco Investment Pte Ltd)	20,000,000 shares of S$1 each	100	100	Investment holding
GuocoLand Management Pte. Ltd.	500,000 shares of S$1 each	—	64	Provision of management services
GuocoLand Property Management Pte. Ltd.	2 shares of S$1 each	—	64	Property management, marketing and maintenance services
GuocoLand (Singapore) Pte. Ltd.	195,000,000 shares of S$1 each	—	64	Investment holding

17. INTEREST IN SUBSIDIARIES (CONT'D)

(b) Details of the principal subsidiaries incorporated and operating in Singapore are as follows: (cont'd)

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
GuocoLand Vietnam (S) Pte Ltd	1 share of S$1 each	—	64	Investment holding
Leonie Land Pte Ltd	19,310,000 shares of S$1 each	—	64	Property development
My Home Online Pte Ltd	10 shares of S$ 1 each	—	64	Provider of internet commerce services
Pemberton Ltd	200 shares of S$1 each	—	64	Investment holding
Sanctuary Land Pte Ltd	60,000,000 shares of S$1 each	—	58	Property development
Sophia Residence Development Pte Ltd (formerly known as First Capital Asia Land Pte Ltd)	88,000,000 shares of S$1 each	—	64	Property investment
Winterhall Pte Ltd	71,000,000 shares of S$1 each	—	64	Property development

(c) Details of the principal subsidiaries incorporated and operating in Malaysia are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Ace Acres Sdn. Bhd.	2,000,000 shares of RM1 each	—	43	Property development
Bedford Development Sdn. Bhd.	88,499,000 shares of RM1 each	—	43	Investment holding and property development
Bedford Industrial Development Sdn. Bhd.	8,870,000 shares of RM1 each	—	43	Property development
Bedford Land Sdn. Bhd.	90,000,000 shares of RM1 each	—	43	Investment holding
BLV Fashions Sdn. Bhd.	37,300,000 shares of RM1 each	—	43	Property investment
Camerlin Group Berhad	410,119,169 shares of RM1 each	—	67	Investment holding

17. INTEREST IN SUBSIDIARIES (CONT'D)

(c) Details of the principal subsidiaries incorporated and operating in Malaysia are as follows: (cont'd)

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Damansara City Sdn. Bhd. (formerly known as Orithree Sdn. Bhd.)	20,000,000 shares of RM1 each	—	43	Property development
Guobena Development Sdn. Bhd.	46,000,000 shares of RM0.8 each	—	43	Property investment
Guoco Assets Sdn. Bhd.	2 shares of RM1 each	100	100	Investment holding
GuocoLand (Malaysia) Berhad	700,458,518 shares of RM0.5 each	—	43	Investment holding and provision of management services
Guoman Hotel & Resort Holdings Sdn. Bhd.	277,000,000 shares of RM1 each	—	50	Investment holding
Guoman International Sdn. Bhd.	4,600,000 shares of RM1 each	—	50	Provision of technical and management services
GLM REIT Management Sdn. Bhd.	1,000,000 shares of RM1 each	—	43	Provision of management services
HL Bandar Sdn. Bhd.	30,000,000 shares of RM1 each	—	43	Property investment
HLP Equities Sdn. Bhd.	370,000 shares of RM1 each	—	43	Investment holding
Hong Leong Housing Sdn. Bhd.	20,000,000 shares of RM1 each	—	43	Provision of construction management services
Hong Leong Property Management Co Sdn. Bhd.	50,000 shares of RM1 each	—	43	Provision of property management services
Hong Leong Property Services Sdn. Bhd.	200,000 shares of RM1 each	—	43	Provision of property management services
Hong Leong Real Estate Holdings Sdn. Bhd.	160,000,000 shares of RM1 each	—	43	Investment holding

17. INTEREST IN SUBSIDIARIES (CONT'D)

(c) Details of the principal subsidiaries incorporated and operating in Malaysia are as follows: (cont'd)

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
JB Parade Condominium Sdn. Bhd.	500,000 shares of RM1 each	—	30	Property development
JB Parade Sdn. Bhd.	30,000,000 shares of RM1 each	—	30	Investment holding and hotel operations
Kiapeng Development Sdn. Bhd.	160,000,000 shares of RM1 each	—	50	Property development and property investment
Pembinaan Sri Jati Sdn. Bhd.	20,000,000 shares of RM1 each	—	43	Investment holding and property development
Prophills Development Sdn. Bhd.	2,500,000 shares of RM1 each	—	43	Property investment
PD Resort Sdn. Bhd.	100,000,000 shares of RM1 each	—	50	Property investment and development and hotel operations
Sabna Development Sdn. Bhd.	50,000,000 shares of RM1 each	—	43	Property development

17. INTEREST IN SUBSIDIARIES (CONT'D)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows:

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Asian Financial Common Wealth Limited	British Virgin Islands	1 share of US$1 each	—	100	Provision of trustee service
Beijing Jiang Sheng Property Development Co., Ltd (Note (i) & (x))	The People's Republic of China	RMB250,000,000 (Note (ii))	—	63	Property development
Beijing Minghua Property Development Co., Ltd (Note (i) & (x))	The People's Republic of China	RMB200,000,000 (Note (ii))	—	48	Property development
BIL Asia Group Treasury Limited (Note (v))	British Virgin Islands	100 shares of NZD1 each	—	52	Financing company
BIL Australia Pty Limited	Australia	17,000,000 shares of AUD1 each	—	52	Investment holding
BIL Finance Limited	New Zealand	100 shares of NZD1 each	—	52	Investment holding
BIL International Limited	Bermuda	1,368,063,633 shares of US$0.2 each	—	52	Hotel and property management
BIL NZ Treasury Limited	New Zealand	200,000,100 shares of NZD1 each	—	52	Investment holding
BIL (UK) Limited	United Kingdom	2 shares of GBP1 each	—	52	Investment holding
Brightspring Holdings Limited	British Virgin Islands	1 share of US$1 each	100	100	Investment holding
Brightwealth Investments Limited	British Virgin Islands	1 share of US$1 each	100	100	Investment holding

17. INTEREST IN SUBSIDIARIES (CONT'D)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Capital Intelligence Limited (Note (iii))	Cayman Islands	1 share of US$1 each	100	100	Investment trading
Clermont Leisure (UK) Limited (formerly known as BIL Gaming Operations UK Ltd)	United Kingdom	50,000,000 shares of GBP1 each	—	52	Gaming
Fresco Resources Limited	British Virgin Islands	1 share of US$1 each	100	100	Investment holding
First Capital Assets (BVI) Ltd	British Virgin Islands	2 shares of US$1 each	—	64	Investment trading
Great Fame Limited	Cayman Islands	1 share of US$1 each	100	100	Investment holding
Guoco Assets (Philippines), Inc.	The Philippines	1,210,000 shares of P100 each	—	100	Investment holding
Guoco Investments (Bermuda) Limited	Bermuda	12,000 shares of US$1 each	100	100	Investment holding
Guoco Securities (Bermuda) Limited (Note (iii))	Bermuda	120,000 shares of US$0.1 each	100	100	Investment holding
GuocoLand Binh Duong Property Co., Ltd	Vietnam	VND47,678,526,080 (Note (ii))	—	64	Property development
GuocoLand (China) Limited	Bermuda	20,000,000 shares of US$1 each	—	64	Investment holding
Guoman Hotels Limited (Note (vi))	Bermuda	12,000 shares of US$1 each	—	50	Investment holding

17. INTEREST IN SUBSIDIARIES (CONT'D)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Guoman Hotels Limited (formerly known as Thistle Hotels Limited)	United Kingdom	310,545,213 shares of GBP0.2565 each	—	52	Ownership and operation of hotels in UK
Guoman International Limited (Note (vi))	Jersey Channel Islands	90,000 shares of GBP1 each	—	50	Investment holding, provision of technical and management services
GL Holdings Limited (Note (iii))	British Virgin Islands	1 share of US$1 each	100	100	Investment holding
Hainan Jinghao Asset Ltd (Note (i) & (ix))	The People's Republic of China	RMB10,000,000 (Note (ii))	—	64	Investment holding
High Glory Investments Limited	Cayman Islands	1 share of US$1 each	100	100	Investment holding
HLL-Guoco Vietnam Co. Limited	Vietnam	6,748,923 shares of US$1 each	—	37	Hotel operations
HLL Overseas Limited (Note (vi))	Jersey Channel Islands	100 shares of GBP1 each	—	43	Investment holding and trading in securities
Hong Way Holdings, Inc.	The Philippines	100,000 shares of P1 each	—	100	Investment holding
Ma Sing Investment Limited (Note (iv))	British Virgin Islands	407,174,860 shares of AUD1 each	—	52	Investment holding
Molokai Properties Limited	United States of America	100 shares of US$1 each	—	52	Investment holding

17. INTEREST IN SUBSIDIARIES (CONT'D)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Nanjing Mahui Property Development Co., Ltd. (formerly known as Nanjing Docker Club Realestate Co., Ltd.) (Note (i) & (x))	The People's Republic of China	RMB100,500,000 (Note (ii))	—	61	Property development
Nanjing Xinhaoning Property Development Co., Ltd (Note (i) & (x))	The People's Republic of China	US$11,920,000 (Note (ii))	—	63	Property development
Nanjing Xinhaoxuan Property Development Co., Ltd (Note (i) & (x))	The People's Republic of China	US$11,920,000 (Note (ii))	—	63	Property development
Oceanease Limited	Cayman Islands	1 share of US$1 each	100	100	Investment trading
Reservoir Resources Limited	British Virgin Islands	1 share of US$1 each	100	100	Investment holding
Reunification Properties Limited (Note (iii))	British Virgin Islands	1 share of US$1 each	—	100	Investment holding
Scorewell Corporation (Note (iii))	British Virgin Islands	1 share of US$1 each	—	100	Investment holding

17. INTEREST IN SUBSIDIARIES (CONT'D)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Shanghai Xin Hao Long Property Development Co., Ltd (Note (i) & (ix))	The People's Republic of China	US$126,000,000 (Note (ii))	—	64	Property development
Shanghai Xin Hao Zhong Property Development Co., Ltd (Note (i) & (viii))	The People's Republic of China	US$20,000,000 (Note (ii))	—	63	Property development
Supreme Goal Investments Limited (Note (iii))	British Virgin Islands	1 share of US$1 each	—	100	Property investment
Tabua Investments Limited	Fiji	2 shares of FJD1 each	—	52	Investment holding
Tianjin Zhong Xin Ming Shi Real Estate Development Co., Ltd (Note (i) & (ix))	The People's Republic of China	RMB160,000,000 (Note (ii))	—	64	Property development
Wanchai Property Investment Limited (Note (iii) & (vii))	British Virgin Islands	500,000 shares of HK$1 each	—	100	Property investment
Wayforward Services Limited (Note (v))	British Virgin Islands	1 share of US$1 each	—	52	Investment holding

17. INTEREST IN SUBSIDIARIES (CONT'D)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Notes:

(i) These companies have a financial year end of 31 December.

(ii) These comprise capital contribution to the companies. These companies have a defined period of existence.

(iii) These companies are operating in Hong Kong.

(iv) These companies are operating in Australia.

(v) These companies are operating in United Kingdom.

(vi) These companies are operating in Malaysia.

(vii) These companies have issued and paid up preference share capital of 4,500,000 shares of HK$1 each.

(viii) These companies are joint venture enterprise.

(ix) These companies are foreign capital enterprise.

(x) These companies are sino-foreign equity joint venture enterprise.

18. INTEREST IN ASSOCIATES

	The Group	
	2007	2006
	US$'000	US$'000
Share of net assets		
Listed shares, overseas	**281,815**	244,043
Unlisted	**196,226**	33,269
Goodwill	**12,092**	12,091
	490,133	289,403
Amounts due from associates	**32,058**	7,799
	522,191	297,202
Less: Impairment loss	**(37,462)**	(37,462)
	484,729	259,740

The market value of the listed investments at 30 June 2007 was US$499 million (2006: US$337 million).

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

18. INTEREST IN ASSOCIATES (CONT'D)

Details of the principal associates are as follows:

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Group	Principal activities
Beijing Cheng Jian Dong Hua Real Estate Development Co Ltd (Note)	The People's Republic of China	50,000,000 shares of RMB1 each	29	Property development
Crawforn Pte Ltd	Singapore	1,000,000 shares of S$1 each	26	Property development
First Capital Property Ventures Pte Ltd	Singapore	100 shares of S$1 each	22	Investment holding
Hong Leong Financial Group Berhad	Malaysia	1,052,450,562 shares of RM1 each	25	Financial services
Pepsi-Cola Products Philippines, Inc.	The Philippines	3,312,989,386 shares of P0.15 each	40	Manufacturing, sales and distribution of beverages
Razgrad Pte Ltd	Singapore	1,000,000 shares of S$1 each	26	Property development
Stockton Investments Pte Ltd	Singapore	10,000 shares of S$1 each	24	Investment holding
Tiara Investment Holdings Limited	Mauritius	6,500,000 shares of US$1 each	26	Investment holding

Note:

This company has a financial year end of 31 December.

18. INTEREST IN ASSOCIATES (CONT'D)

The summarised financial information in respect of the Group's associates is set out below:

	The Group	
	2007	2006
	US$'000	US$'000
Total assets	**23,180,390**	18,055,647
Total liabilities	**(21,303,438)**	(16,591,071)
	1,876,952	1,464,576
Minority interests	**(542,874)**	(468,463)
Net assets	**1,334,078**	996,113
Group's share of associates' net assets	**478,041**	277,312
Turnover	**1,410,931**	1,184,919
Profit for the year	**182,693**	146,226
Group's share of associates' profits for the year	**52,038**	68,036

19. INTEREST IN JOINTLY CONTROLLED ENTITIES

	The Group	
	2007	2006
	US$'000	US$'000
Share of net assets (unlisted)	**94,537**	106,694
Amounts due from jointly controlled entities	**3,691**	3,081
	98,228	109,775

The amounts due from jointly controlled entities are unsecured, interest free and have no fixed repayment terms.

19. INTEREST IN JOINTLY CONTROLLED ENTITIES (CONT'D)

Details of principal jointly controlled entities are as follows:

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Group	Principal activities
Bedford Damansara Heights Development Sdn. Bhd.	Malaysia	84,000,000 shares of RM1 each	22	Investment holding
Continental Estates Sdn. Bhd.	Malaysia	50,600,000 shares of RM1 each	22	Property development and operation of an oil palm estate
Kota Selatan Indah Sdn. Bhd.	Malaysia	30,000,000 shares of RM1 each	22	Property development
Positive Properties Sdn. Bhd.	Malaysia	23,120,000 shares of RM1 each	22	Property investment
Promakmur Development Sdn. Bhd.	Malaysia	90,000,000 shares of RM1 each	22	Property development
Vintage Heights Sdn. Bhd.	Malaysia	140,000,000 shares of RM1 each	21	Property development and operation of an oil palm estate

Summary financial information on jointly controlled entities — Group's effective interest:

	The Group	
	2007	2006
	US$'000	US$'000
Non-current assets	**1,732**	1,863
Current assets	**138,857**	160,469
Non-current liabilities	**(27,384)**	(29,928)
Current liabilities	**(18,668)**	(25,710)
Net assets	**94,537**	106,694
Income	**9,937**	35,521
Expenses	**(8,088)**	(14,869)
Profit for the year	**1,849**	20,652

20. ACQUISITION OF SUBSIDIARIES

(a) Clermont Leisure (UK) Limited (formerly known as BIL Gaming Operations UK Limited), a wholly owned subsidiary of BIL International Limited, acquired 100% ownership in the Clermont Club for an all cash consideration of US$61,652,000 on 1 December 2006. The Clermont Club is a high-end casino situated in London. The Clermont Club recorded US$5,470,000 turnover and US$8,543,000 net loss since acquisition to the balance sheet date. If the above acquisition had occurred on 1 July 2006, total Group turnover would have increased by US$6,310,000 and profit for the year attributable to shareholders of the Company would have decreased by US$5,193,000 for the year ended 30 June 2007. The acquisition has been accounted for using the purchase method of accounting.

The net assets acquired in the above acquisition are as follows:

	Acquiree's carrying value before combination US$'000	**Fair value adjustment** US$'000	**Acquiree's fair value before combination** US$'000
Net assets acquired:			
Property, plant and equipment	2,153	(427)	1,726
Intangible assets	—	59,142	59,142
Cash and short term funds	784	—	784
Net identifiable assets	2,937	58,715	61,652
Total cash consideration			61,652

(b) On 31 January 2007, GuocoLand Group ("GLL Group") acquired 100% interest in Sabna Development Sdn Bhd subsequent to the disposal of 50% equity interest in Putrajaya Properties Sdn Bhd, a jointly controlled entity. On 13 April 2007, GLL Group acquired 100% interest in Hainan Jing Hao Asset Limited. The total purhcase consideration paid amounted to US$76.5 million.

From the dates of acquisitions to 30 June 2007, the above-mentioned acquisitions contributed a net profit of US$0.1 million to the Group's results for the financial year. If the acquisitions had occurred on 1 July 2006, the Group's revenue for the financial year ended 30 June 2007 would have increased by US$1.2 million and net profit would have increased by US$0.5 million. The acquisition has been accounted for by the purchase method of accounting.

The net assets acquired in the above acquisitions are as follows:

	Acquiree's carrying value US$'000
Interest in associate	65,462
Deferred tax assets	116
Trade and other receivables	6,584
Cash and short term funds	17,223
Trade and other payables	(1,723)
Deferred tax liabilities	(112)
Net identifiable assets	87,550
Previously accounted for as interest in jointly controlled entity	11,057
Total cash consideration	76,493
	87,550

21. HELD-TO-MATURITY FINANCIAL ASSETS

	The Company	
	2007	2006
	US$'000	US$'000
Unlisted debt securities	**162,131**	—

The unlisted debt securities represent fixed rate notes issued by a wholly-owned subsidiary of the Company, which bear interest at 8.2% per annum and are unsecured and are with repayment term of 6 years.

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
Equity securities				
— Listed outside Hong Kong	**20,736**	12,082	**—**	—
— Unlisted	**515**	1,524	**—**	—
	21,251	13,606	**—**	—
Club and other debentures	**460**	1,672	**203**	203
Investment in partnership	**19,923**	—	**—**	—
	41,634	15,278	**203**	203
Market value of listed equity securities	**20,736**	12,082	**—**	—

23. GOODWILL

	The Group
	US$'000
Cost:	
At 1 July 2005	(26,392)
Opening balance adjustments to transfer to retained profits	26,392
Additions through acquisition of subsidiaries	670
Additions during the year	710
At 30 June 2006	1,380
At 1 July 2006	1,380
Additions during the year	27,768
Exchange adjustments	44
At 30 June 2007	29,192

The Group has adopted HKFRS 3, Business Combinations, whereby the negative goodwill as at 1 July 2005 has been transferred with a corresponding adjustment to retained profits.

In accordance with the Group's accounting policy, the carrying value of goodwill was tested for impairment as at 30 June 2007 and 30 June 2006. The results of the tests indicated no impairment charge was necessary.

24. DEVELOPMENT PROPERTIES

	The Group	
	2007	2006
	US$'000	US$'000
Cost as at 30 June	**1,367,850**	1,277,216
Add: Attributable profit	**—**	3,604
Less: Impairment loss	**(36,413)**	(33,057)
Progress instalments received and receivable	**(87,790)**	(290,424)
	1,243,647	957,339

The carrying amounts of development properties were written down based on their estimated selling prices.

Certain of the Group's development properties with an original book value of US$831.8 million (2006: US$367.6 million) were pledged for bank loans and mortgage debenture stock.

Included in the Group's development properties are amounts of US$514.5 million (2006: US$462.3 million) which are expected to be realised after more than one year.

25. PROPERTIES HELD FOR SALE

	The Group	
	2007	2006
	US$'000	US$'000
As at 1 July	**75,832**	149,039
Additions through acquisition of a subsidiary	**1,037**	2,124
Transfer from development properties	**26,735**	3,289
Disposals	**(90,710)**	(89,969)
	12,894	64,483
Add: Realised loss written off against allowance	**1,007**	1,737
Write-back for foreseeable loss	**17,634**	523
Exchange adjustments	**2,744**	9,089
As at 30 June	**34,279**	75,832

26. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
Trade debtors	**356,708**	184,981	**—**	—
Deposits and prepayments	**204,769**	79,586	**33**	39
Derivative financial instruments, at fair value	**2,137**	1,172	**—**	—
Interest receivables	**11,095**	12,872	**11,276**	10,166
	574,709	278,611	**11,309**	10,205

Included in the Group's trade and other receivables are amounts of US$20.3 million (2006: US$8.4 million) which are expected to be recovered after more than one year.

Included in trade and other receivables are trade debtors with the following ageing analysis as of the balance sheet date:

	The Group	
	2007	2006
	US$'000	US$'000
Current	**333,629**	175,853
1 to 3 months overdue	**10,038**	4,866
More than 3 months overdue but less than 12 months overdue	**13,041**	4,262
	356,708	184,981

Trade and other receivables, which are denominated in a currency other than the functional currency of the entity, are mainly denominated in British pounds, Hong Kong dollars, Singapore dollars, Malaysian Ringgit and Japanese Yen.

27. TRADING FINANCIAL ASSETS

	The Group	
	2007	2006
	US$'000	US$'000
Debt securities		
Listed — Outside Hong Kong (at market value)	**—**	38,951
Unlisted	**—**	20,196
	—	59,147
Equity securities		
Listed (at market value)		
— In Hong Kong	**12,772**	47,157
— Outside Hong Kong	**1,138,502**	390,986
	1,151,274	438,143
Unit trusts		
Unlisted	**24,166**	12,047
	1,175,440	509,337

28. CASH AND SHORT TERM FUNDS

	The Group		The Company	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
Deposits with banks	**3,033,947**	3,338,232	**2,305,319**	3,000,165
Cash at bank and in hand	**130,119**	83,503	**3,264**	1,338
Cash and cash equivalents in the balance sheet and cash flow statement	**3,164,066**	3,421,735	**2,308,583**	3,001,503

29. ASSETS HELD FOR SALE

In June 2006, a subsidiary of the Group entered into a Sale and Purchase Agreement to sell Robinson Centre (previously classified as an investment property) for a consideration of US$93 million. The sale was completed in July 2006.

As at 30 June 2006, the investment property was valued at US$88 million based on the sale consideration net of the provision for a property income undertaking for a yield of 4.5% on the property in favour of the purchaser. The investment property was pledged to banks to secure banking facilities granted to the Group.

30. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
Trade creditors	**85,929**	64,099	**—**	—
Other payables and accrued operating expenses	**327,715**	197,879	**574**	1,987
Derivative financial instruments, at fair value	**988**	3,329	**—**	—
Amounts due to fellow subsidiaries	**17,209**	21,943	**16,861**	21,943
Amounts due to associates	**33**	28	**—**	—
Amounts due to jointly controlled entities	**1,004**	—	**—**	—
	432,878	287,278	**17,435**	23,930

Included in trade and other payables of the Group and the Company are amounts of US$12.1 million (2006: US$11.4 million) and US$0.3 million (2006: US$1.7 million) respectively which are expected to be settled after more than one year.

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	The Group	
	2007	2006
	US$'000	US$'000
Due within 1 month or on demand	**72,445**	58,097
Due after 1 month but within 3 months	**5,365**	1,560
Due after 3 months but within 6 months	**417**	64
Over 6 months	**7,702**	4,378
	85,929	64,099

Trade and other payables, which are denominated in a currency other than the functional currency of the entity, are mainly denominated in British pounds, Hong Kong dollars, Singapore dollars and Malaysian Ringgit.

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

31. PROVISIONS AND OTHER LIABILITIES

	Restructuring Costs US$'000	Pensions US$'000	Others US$'000	Total US$'000
As at 1 July 2006	4,373	25,853	7,470	37,696
Charge for/(write-back) to income statement during the year	2,898	475	(1,088)	2,285
Amounts settled or utilised during the year	(6,466)	(5,629)	(2,488)	(14,583)
Exchange adjustments	1,090	3,486	150	4,726
As at 30 June 2007	1,895	24,185	4,044	30,124
Provisions and other liabilities as at 30 June 2007 are disclosed as:				
Current liabilities	1,895	—	4,044	5,939
Non-current liabilities	—	24,185	—	24,185
	1,895	24,185	4,044	30,124

32. CURRENT PORTION OF BANK LOANS AND OTHER BORROWINGS

	The Group	
	2007 US$'000	2006 US$'000
Bank loans		
— Secured	**203,419**	133,725
— Unsecured	**39,742**	10,896
	243,161	144,621
Unsecured capital notes	**—**	18,889
Unsecured medium term notes repayable within 1 year	**2,672**	85,347
	245,833	248,857

33. NON-CURRENT PORTION OF BANK LOANS AND OTHER BORROWINGS

	The Group	
	2007	2006
	US$'000	US$'000
Bank loans		
— Secured	**305,721**	151,286
— Unsecured	**302,895**	224,758
	608,616	376,044
Unsecured medium term notes	**244,794**	129,077
Unsecured fixed rate bonds	**—**	1,453
Secured mortgage debenture stock	**533,908**	498,108
Convertible bonds (Note 34)	**407,683**	—
	1,795,001	1,004,682

Note:

The bank loans and mortgage debenture stock are secured by the following:

— legal mortgages on investment properties with an aggregate book value of US$10.7 million (Note 15);

— legal mortgages on development properties with an aggregate book value of US$831.8 million (Note 24); and

— legal mortgages on property, plant and equipment with an aggregate book value of US$1,071.9 million (Note 15).

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

	The Group								
	2007					2006			
	Bank loans	**Mortgage debenture stock**	**Convertible bonds**	**Other borrowings**	**Total**	Bank loans	Mortgage debenture stock	Other borrowings	Total
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	US$'000	US$'000	US$'000	US$'000
On demand or within 1 year	**243,161**	**—**	**—**	**2,672**	**245,833**	144,621	—	104,236	248,857
After 1 year but within 2 years	**371,556**	**—**	**—**	**169,724**	**541,280**	58,464	—	1,453	59,917
After 2 years but within 5 years	**235,468**	**—**	**407,683**	**75,070**	**718,221**	315,540	—	129,077	444,617
After 5 years	**1,592**	**533,908**	**—**	**—**	**535,500**	2,040	498,108	—	500,148
	608,616	**533,908**	**407,683**	**244,794**	**1,795,001**	376,044	498,108	130,530	1,004,682
	851,777	**533,908**	**407,683**	**247,466**	**2,040,834**	520,665	498,108	234,766	1,253,539

Bank loans and other borrowings, which are denominated in a currency other than the functional currency of the entity, are mainly denominated in British pounds and Singapore dollars.

34. CONVERTIBLE BONDS

	The Group	
	2007	2006
	US$'000	US$'000
Proceeds from issue of convertible bonds	**450,421**	—
Transaction costs	**(3,267)**	—
Net proceeds	**447,154**	—
Equity portion of convertible bonds	**(41,664)**	—
Amortisation of transaction costs capitalised, bond discount and others	**2,193**	—
	407,683	—

On 7 May 2007, GuocoLand Limited ("GLL"), issued S$690 million (US$450 million) in principal amount of convertible bonds (the "Bonds") comprising S$345 million (US$225 million) in principal amount of unsecured Tranche 1 Convertible Bonds ("Tranche 1 Bonds") and S$345 million (US$225 million) in principal amount of unsecured Tranche 2 Convertible Bonds ("Tranche 2 Bonds"). The Bonds are due on 7 May 2012 (the "Maturity Date").

The Bonds are convertible by the holders thereof (the "Bondholders") into new ordinary shares in the capital of GLL ("Shares") at any time on or after 6 July 2007 and up to 27 April 2012 or if such Bonds shall have been called for redemption by GLL before 27 April 2012, then up to a date no later than seven business days prior to the date fixed for redemption thereof. The conversion price of the Bonds was adjusted from the initial conversion price of S$6.216 per Share to S$5.507 per Share with effect from 30 July 2007 following the issue of 221,882,489 new Shares on that day pursuant to a renounceable rights issue undertaken by GLL.

At any time on or after 7 May 2009 and prior to the date falling 7 business days prior to the Maturity Date of the Bonds, the Bonds may be redeemed in whole at the option of GLL if the volume weighted average price of the Shares for each of 10 consecutive trading days was at least 120% of the principal amount of the Bonds plus interest equal to the applicable early redemption interest amount divided by the conversion ratio.

On 7 May 2010, in respect of the Tranche 1 Bonds only, GLL may at the option of any Bondholder, redeem all or some of that Bondholder's Tranche 1 Bonds, at their principal amount plus interest equal to the applicable early redemption interest amount.

Unless previously redeemed, converted, or purchased and cancelled, the Tranche 1 Bonds shall be redeemed on the Maturity Date at its principal amount plus interest of 0.6% p.a. on a semi-annual basis of its principal amount and the Tranche 2 Bonds shall be redeemed on the Maturity Date at its principal amount plus interest of 1.9% p.a. on a semi-annual basis of its principal amount.

35. DEFERRED TAXATION

(a) Deferred tax assets and liabilities recognised:

(i) The Group

The components of deferred tax (assets)/liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

Deferred tax arising from:	Depreciation allowance in excess of related depreciation US$'000	Revaluation of properties US$'000	Timing difference on development properties US$'000	Revaluation of financial liabilities US$'000	Provisions US$'000	Tax losses US$'000	Others US$'000	Total US$'000
As at 1 July 2006	492	166,066	663	(25,444)	(5,794)	(1,298)	29	134,714
Charged/(credited) to consolidated income statement	(343)	(14,102)	1,538	4,437	1,802	15	—	(6,653)
Others	(14)	164	112	—	(159)	(116)	—	(13)
	135	152,128	2,313	(21,007)	(4,151)	(1,399)	29	128,048
Exchange adjustments	36	14,808	14	(2,221)	(498)	(7)	(11)	12,121
As at 30 June 2007	171	166,936	2,327	(23,228)	(4,649)	(1,406)	18	140,169
As at 1 July 2005	(117)	1,840	3,837	—	—	(1,090)	60	4,530
Additions through acquisition of subsidiaries	375	197,364	509	(26,511)	(6,178)	(230)	—	165,329
Charged/(credited) to consolidated income statement	13	(39,739)	(3,940)	2,045	611	22	(32)	(41,020)
Others	221	—	150	—	—	—	—	371
	492	159,465	556	(24,466)	(5,567)	(1,298)	28	129,210
Exchange adjustments	—	6,601	107	(978)	(227)	—	1	5,504
As at 30 June 2006	492	166,066	663	(25,444)	(5,794)	(1,298)	29	134,714

	2007 US$'000	2006 US$'000
Net deferred tax assets recognised on the balance sheet	**(1,190)**	(957)
Net deferred tax liabilities recognised on the balance sheet	**141,359**	135,671
	140,169	134,714

Notes to the Financial Statements

35. DEFERRED TAXATION (CONT'D)

(b) Deferred tax assets unrecognised:

Deferred tax assets have not been recognised in respect of the following items:

	The Group	
	2007	2006
	US$'000	US$'000
Deductible temporary differences	**39,505**	179,206
Tax losses	**1,004,209**	895,453
	1,043,714	1,074,659

The deductible temporary differences and tax losses do not expire under current tax legislation.

36. SHARE CAPITAL AND RESERVES

	Share Capital	Share premium	Capital and other reserves	Contri-buted surplus	ESOP reserve	Share option reserve	Exchange translation reserve	Fair value reserve	Revalu-ation reserve	Retained profits	Total	Minority interest	Total equity
	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
The Group													
At 1 July 2006	164,526	10,493	(17,647)	2,895	(41,024)	782	39,485	(7,721)	9,760	4,592,798	4,754,347	966,044	5,720,391
Transfer between reserves	—	—	7,717	—	—	—	—	—	—	(7,717)	—	—	—
Share of subsidiaries' and associates' capital and other reserves movement	—	—	12,137	—	—	—	—	—	—	—	12,137	14,120	26,257
Equity settled share-based transactions	—	—	—	—	—	1,122	—	—	—	—	1,122	514	1,636
Changes in fair value and disposal of available-for-sale financial assets	—	—	—	—	—	—	—	10,621	—	—	10,621	8,896	19,517
Exchange differences on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	—	—	(1,889)	—	271	14	74,467	229	126	—	73,218	55,458	128,676
Minority interests on acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	(2,870)	(2,870)	(90,455)	(93,325)
Dividends paid to minority interests	—	—	—	—	—	—	—	—	—	—	—	(23,532)	(23,532)
Disposal of interest in subsidiaries	—	—	—	(191)	—	26	—	—	(76)	—	(241)	59	(182)
Capital contribution from minority interests	—	—	—	—	—	—	—	—	—	—	—	1,202	1,202
Exercise of warrants and conversion of ICULS issued by a subsidiary	—	—	—	—	—	—	—	—	—	—	—	7,264	7,264
Final and special dividend paid	—	—	—	—	—	—	—	—	—	(167,041)	(167,041)	—	(167,041)
Interim dividend paid	—	—	—	—	—	—	—	—	—	(41,602)	(41,602)	—	(41,602)
Retained profits for the year	—	—	—	—	—	—	—	—	—	546,371	546,371	59,978	606,349
At 30 June 2007	164,526	10,493	318	2,704	(40,753)	1,944	113,952	3,129	9,810	4,919,939	5,186,062	999,548	6,185,610
Retained in													
— Company and subsidiaries													5,899,797
— Associates and jointly controlled entities													285,813
													6,185,610

36. SHARE CAPITAL AND RESERVES (CONT'D)

	Share Capital	Share premium	Capital and other reserves	Contri-buted surplus	ESOP reserve	Share option reserve	Exchange translation reserve	Fair value reserve	Revalu-ation reserve	Retained profits	Total	Minority interest	Total equity
	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
The Group													
At 1 July 2005	164,526	10,493	26,707	2,896	(10,132)	300	13,004	6,544	—	4,010,931	4,225,269	366,569	4,591,838
Transfer between reserves	—	—	5,312	—	—	—	—	—	—	(5,312)	—	—	—
Share of subsidiaries' and associates' capital and other reserves movement	—	—	(48,939)	—	—	—	—	—	—	—	(48,939)	(9,310)	(58,249)
Equity settled share-based transactions	—	—	(533)	—	—	482	—	—	—	(210)	(261)	(71)	(332)
Purchase of own shares for Share Option Plan	—	—	—	—	(30,892)	—	—	—	—	—	(30,892)	—	(30,892)
Share of new subsidiaries' reserves in relation to the interests previously acquired	—	—	—	—	—	—	—	—	—	33,215	33,215	3,882	37,097
Changes in fair value and disposal of available-for-sale financial assets	—	—	—	—	—	—	—	(14,265)	—	(3,760)	(18,025)	(16,511)	(34,536)
Exchange differences on translation of the financial statements of foreign subsidiaries and associates	—	—	(194)	(1)	—	—	26,481	—	—	—	26,286	23,418	49,704
Increase in fair value of fixed assets and development properties shared by previously held interest in associates	—	—	—	—	—	—	—	—	9,760	—	9,760	18,364	28,124
Minority interests on acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	548,171	548,171
Dividends paid to minority interests	—	—	—	—	—	—	—	—	—	—	—	(24,269)	(24,269)
Dilution of interest in a subsidiary arising from conversion of preference shares to ordinary shares	—	—	—	—	—	—	—	—	—	—	—	3,110	3,110
Capital contribution from minority interests	—	—	—	—	—	—	—	—	—	—	—	315	315
Exercise of ICULS issued by a subsidiary	—	—	—	—	—	—	—	—	—	—	—	(625)	(625)
Final dividend paid	—	—	—	—	—	—	—	—	—	(125,981)	(125,981)	—	(125,981)
Interim dividend paid	—	—	—	—	—	—	—	—	—	(41,961)	(41,961)	—	(41,961)
Retained profits for the year	—	—	—	—	—	—	—	—	—	725,876	725,876	53,001	778,877
At 30 June 2006	164,526	10,493	(17,647)	2,895	(41,024)	782	39,485	(7,721)	9,760	4,592,798	4,754,347	966,044	5,720,391
Retained in													
— Company and subsidiaries													5,487,311
— Associates and jointly controlled entities													233,080
													5,720,391
The Company													
At 1 July 2006	164,526	10,493	—	—	—	—	—	—	—	3,409,370	3,584,389	—	3,584,389
Final and special dividend paid	—	—	—	—	—	—	—	—	—	(169,112)	(169,112)	—	(169,112)
Interim dividend paid	—	—	—	—	—	—	—	—	—	(42,114)	(42,114)	—	(42,114)
Retained profits for the year	—	—	—	—	—	—	—	—	—	245,304	245,304	—	245,304
At 30 June 2007	164,526	10,493	—	—	—	—	—	—	—	3,443,448	3,618,467	—	3,618,467
The Company													
At 1 July 2005	164,526	10,493	—	—	—	—	—	—	—	3,224,076	3,399,095	—	3,399,095
Final dividend paid	—	—	—	—	—	—	—	—	—	(127,250)	(127,250)	—	(127,250)
Interim dividend paid	—	—	—	—	—	—	—	—	—	(42,410)	(42,410)	—	(42,410)
Retained profits for the year	—	—	—	—	—	—	—	—	—	354,954	354,954	—	354,954
At 30 June 2006	164,526	10,493	—	—	—	—	—	—	—	3,409,370	3,584,389	—	3,584,389

36. SHARE CAPITAL AND RESERVES (CONT'D)

Notes:

(i) The application of share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.

(ii) The capital and other reserves have been set up and will be dealt with in accordance with the Group's accounting policies. The equity component of the issued convertible bonds, which represents the implied fair value of the conversion rights, is included in the capital reserve.

(iii) The contributed surplus is governed by Section 54 of the Companies Act 1981 of Bermuda.

The contributed surplus is available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

(iv) The ESOP reserve comprises the purchase consideration for issued shares of the Company acquired for the Share Option Plan for the purpose of satisfying the exercise of share options to be granted to eligible employees (Note 39).

(v) The share option reserve comprises the cumulative value of employee services received for the issue of share options.

(vi) The exchange translation reserve comprises:

(a) the foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and associates whose functional currencies are different from the functional currency of the Company.

(b) the exchange differences on monetary items which form part of the Group's net investment in the foreign subsidiaries and associates.

(vii) Fair value reserve comprises unrealised gain or loss arising from changes in fair value of available-for-sale financial assets.

(viii) Revaluation reserve comprises increase in fair value of property, plant and equipment and development properties from acquired subsidiaries.

(ix) Distributable reserves of the Company as at 30 June 2007 amounted to US$3,443,448,000 (2006: US$3,409,370,000).

Share capital

	The Group and The Company			
	2007		2006	
	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:				
As at 1 July and 30 June	**329,051**	**164,526**	329,051	164,526

Note:

As at 30 June 2007, 4,026,862 ordinary shares (2006: 4,026,862 ordinary shares) were acquired by the Group to reserve for the Share Option Plan for the purpose of satisfying the exercise of share options to be granted to eligible employees.

37. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Acquisition of subsidiaries

	The Group	
	2007	2006
	US$'000	US$'000
Net assets acquired:		
Property, plant and equipment	**1,726**	1,391,985
Goodwill on consolidation	**—**	670
Investment properties	**—**	29,104
Intangible assets	**59,142**	—
Development properties	**—**	291,027
Bass Strait oil & gas royalties	**—**	125,822
Interest in an associate and jointly-controlled entities	**65,462**	102,967
Investments	**—**	47,024
Deferred tax assets	**116**	230
Properties held for sale	**—**	2,124
Trade and other receivables	**6,584**	85,248
Cash and short term funds	**18,007**	55,886
Bank loans and borrowings	**—**	(537,313)
Trade and other payables	**(1,723)**	(99,763)
Taxation	**—**	(8,589)
Provisions	**—**	(34,368)
Deferred tax liabilities	**(112)**	(165,559)
Minority interests	**—**	(14,953)
	149,202	1,271,542
Share of interests relating to previously held jointly-controlled entities/associates	**(11,057)**	(408,943)
Share of minority interests	**—**	(569,510)
Negative goodwill arising on acquisition	**—**	(31,556)
Total consideration	**138,145**	261,533
Satisfied by:		
Cash consideration	**138,145**	260,606
Other payables	**—**	927
	138,145	261,533

37. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

(b) Analysis of net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries

	The Group	
	2007	2006
	US$'000	US$'000
Cash consideration	**138,145**	260,606
Cash at bank and in hand acquired	**(18,007)**	(55,886)
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	**120,138**	204,720

(c) Disposal of subsidiaries

	The Group	
	2007	2006
	US$'000	US$'000
Net assets disposed:		
Property, plant and equipment	**4,697**	—
Trade and other receivables	**778**	—
Cash and short term funds	**40**	—
Trade and other payables	**(1,482)**	—
Deferred taxation	**(14)**	—
	4,019	—
Profit on disposal of subsidiaries	**10,939**	—
Realisation of reserves	**(1,276)**	—
	13,682	—
Satisfied by:		
Cash received	**13,682**	—

(d) Analysis of net inflow of cash and cash equivalents in respect of the disposal of subsidiaries

	The Group	
	2007	2006
	US$'000	US$'000
Cash consideration received	**13,682**	—
Cash at bank and in hand disposed	**(40)**	—
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**13,642**	—

38. EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement plans

The Group has several defined benefit pension schemes, all of which are closed to new members and managed by independent administrators. Actuarial valuations are carried out at least once every three years and informal valuations are carried out in the intervening years.

(i) The amounts recognised in the balance sheet are as follows:

	The Group	
	2007	2006
	US$'000	US$'000
Present value of wholly or partly funded obligations	**(122,847)**	(110,316)
Fair value of plan assets	**99,309**	80,465
Net unrecognised actuarial (losses)/gains	**(647)**	3,998
	(24,185)	(25,853)

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

(ii) Movements in the other liabilities recognised in the balance sheet are as follows:

	The Group	
	2007	2006
	US$'000	US$'000
At 1 July	**(25,853)**	—
Addition through acquisition of subsidiaries	**—**	(28,164)
Contributions paid to plans	**6,274**	3,643
Expense recognised in income statement	**(1,102)**	(1,286)
Exchange difference	**(3,504)**	(46)
At 30 June	**(24,185)**	(25,853)

38. EMPLOYEE RETIREMENT BENEFITS (CONT'D)

(a) Defined benefit retirement plans (cont'd)

(iii) Expense recognised in income statement is as follows:

	The Group	
	2007	2006
	US$'000	US$'000
Current service cost	**(782)**	(1,011)
Interest cost	**(5,966)**	(4,818)
Actuarial expected return on plan assets	**5,841**	4,488
Net actuarial losses recognised	**(195)**	55
	(1,102)	(1,286)

(iv) The principal actuarial assumptions used as at 30 June 2007 (expressed as weighted averages) are as follows:

	The Group	
	2007	2006
Discount rate	**5.03%**	4.92%
Expected returns on plan assets — equities	**7.80%**	7.60%
Expected returns on plan assets — bonds	**5.50%**	5.20%
Expected rates of salary increase	**3.70%**	3.50%

(b) Defined contribution retirement plans

The Company and its subsidiaries in Hong Kong operate a Mandatory Provident Fund Scheme ("MPF Scheme") which has been established under the Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance in December 2000. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the Group's contribution is 10 percent or 5 percent of employees' monthly salaries and is expensed as incurred.

Subsidiaries in Singapore operates a Central Provident Fund Scheme ("CPF Scheme") which is a defined contribution scheme. Under this CPF Scheme, the subsidiary's contribution is 3.5 percent to 13 percent of employees' monthly salaries and is expensed as incurred.

During the year, the Group's cost incurred on employees pension schemes were US$3,074,000 (2006: US$2,419,000) and forfeited contributions in the amount of US$38,000 (2006: US$95,000) were used to reduce current year's contributions.

39. EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) The Company

The Company adopted a share option scheme (the "Share Option Scheme") on 29 November 2001 for the purpose of providing any employees or directors of the Company or any of its subsidiaries or associated companies (the "Eligible Employee") the opportunity of participating in the growth and success of the Group.

The option price per share payable upon exercise of any share option will be determined by the directors upon the grant of the share option. It will not be less than the greatest of (a) the average closing price of a share as stated in the daily quotation sheets issued by The Stock Exchange of Hong Kong Limited ("the Stock Exchange") for the five business days immediately preceding the day of offer of such a share option; (b) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the day of offer of such a share option; and (c) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the share option within 21 days inclusive of, and from the date of making such offer. The exercise period of the share option shall fall within the period from the date of grant and ending on the tenth anniversary of the date of grant in respect of such offer. No share option may be granted more than ten years after 29 November 2001, the date on which the Share Option Scheme was adopted by the Company.

On 16 December 2002, the Company established a share option plan (the "Share Option Plan") for the purpose of motivating the employees and directors of the Group companies and the employees of associated companies (the "Participants") and allowing them to participate in the growth of the Group through the grant of options over existing shares.

The exercise price of an option for the purchase of share will not be less than the greatest of (a) the average closing price of a share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the day of offer of such a share option; (b) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the day of offer of such a share option, which must be a business day; and (c) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the share option within 21 days from the date of making such offer. The exercise period of the share option shall fall within the period from the date of grant and ending on the tenth anniversary of the date of grant of such option. No share option may be granted more than ten years after 16 December 2002, the date on which the Share Option Plan was adopted by the Company.

No share options were outstanding during the year and no option has been granted to any eligible participants pursuant to the Share Option Scheme and Share Option Plan during the year.

39. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONT'D)

(b) BIL International Limited ("BIL")

The BIL International Share Option Plan (the "BIL Plan") was approved by the shareholders of BIL in 2001 to allow the grant of options to eligible participants including employees and executive and non-executive directors of BIL and its subsidiaries (the "BIL Group") who are not controlling shareholders of BIL.

There were no outstanding options pursuant to the BIL Plan as at 30 June 2007, and no option has been granted to any eligible participants pursuant to the BIL Plan during the year.

The BIL Value Creation Incentive Share Scheme (the "Scheme") is a share incentive scheme which was approved by the board in 2003 and is administered by its remuneration committee. Under the Scheme, options over existing shares of BIL are issued to eligible participants.

There were no outstanding options pursuant to the Scheme as at 30 June 2007, and no option has been granted to any eligible participants pursuant to the Scheme during the year.

(c) GuocoLand Limited ("GLL")

The GuocoLand Limited Executives' Share Option Scheme (the "Scheme") was approved by shareholders of GLL at an extraordinary general meeting held on 31 December 1998. The Scheme was further approved by the Company at an extraordinary general meeting held on 1 February 1999.

In October 2004, shareholders of GLL and the Company approved the proposed amendments to the rules of the Scheme (the "Rules") to inter alia alter the structure of the Scheme to allow the grant of options to be satisfied over newly issued ordinary shares of GLL (the "Shares") or the transfer of existing Shares, or a combination of both new Shares and existing Shares, as well as to align the Rules with the requirements under Chapter 17 of The Stock Exchange of Hong Kong Limited Listing Rules.

39. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONT'D)

(c) GuocoLand Limited ("GLL") (cont'd)

(i) *The terms and conditions of the grants that existed during the year, whereby all options are settled by physical delivery of shares:*

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to directors of GLL:			
— on 1 November 2004	3,250,000	Certain financial and performance targets to be met during the performance period for FY2005 to 2007.	3.75 years
— on 1 November 2004	3,250,000		4.75 years
Options granted to employees of GLL:			
— on 1 November 2004	3,000,000		3.75 years
— on 1 November 2004	3,000,000		4.75 years
— on 30 May 2005	2,000,000	Exercised	2 years
— on 30 May 2005	2,000,000	Certain financial and performance targets to be met during the performance period for FY2006 to 2007.	3.17 years
— on 30 May 2005	2,000,000		4.17 years
Options granted to directors:			
— on 19 January 2007	10,000,000	Certain financial and performance targets to be met during the performance periods for FY2006 to 2008 and FY2009 to 2011	2 to 7 years
Options granted to employees:			
— on 19 January 2007	13,750,000		
Total share options	42,250,000		

(ii) *The number and weighted average exercise prices of share options are as follows:*

	2007 Weighted average exercise price	**2007** Number of options	2006 Weighted average exercise price	2006 Number of options
Outstanding at the beginning of the year	**S$1.23**	**18,500,000**	S$1.23	18,500,000
Exercised during the year	**S$1.32**	**(2,000,000)**	N/A	—
Granted during the year	**S$2.65**	**23,750,000**	N/A	—
Outstanding at the end of the year	**S$2.06**	**40,250,000**	S$1.23	18,500,000
Exercisable at the end of the year	**N/A**	**—**	S$1.32	2,000,000

39. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONT'D)

(c) GuocoLand Limited ("GLL") (cont'd)

(ii) The number and weighted average exercise prices of share options are as follows: (cont'd)

	2007	2006
The weighted average share price at the date of exercise for share options exercised during the year	**S$1.32**	N/A
The weighted average exercise price per share of the outstanding options	**S$2.06**	S$1.23
The weighted average remaining contractual life of the options	**2.9 years**	2.4 years

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The expected volatility is based on 1-year historical volatility.

	2007			2006	
Date of grant of options	**1 Nov 2004**	**30 May 2005**	**19 Jan 2007**	1 Nov 2004	30 May 2005
Fair value at measurement date	**S$0.10 to S$0.11**	**S$0.09 to S$0.10**	**S$0.47 to S$0.73**	S$0.10 to S$0.11	S$0.09 to S$0.10
Share price at grant date	**S$1.22**	**S$1.34**	**S$2.78**	S$1.22	S$1.34
Exercise price	**S$1.19**	**S$1.32**	**S$2.65**	S$1.19	S$1.32
Expected volatility	**21.4%**	**18.8%**	**29.5%**	21.4%	18.8%
Expected option life	**3.2 years to 4.2 years**	**1.5 years to 3.6 years**	**1.8 years to 6.8 years**	3.2 years to 4.2 years	1.5 years to 3.6 years
Expected dividend yield	**6.6%**	**6.0%**	**2.9%**	6.6%	6.0%
Risk-free interest rate	**1.8% to 2.2%**	**2.1% to 2.3%**	**3.0% to 3.1%**	1.8% to 2.2%	2.1% to 2.3%

40. FINANCIAL INSTRUMENTS

(a) Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the year in which they reprice or the maturity dates, if earlier.

The Group	2007						2006					
	Effective interest rate	Total US$'000	One year or less US$'000	1–2 years US$'000	2–5 years US$'000	More than 5 years US$'000	Effective interest rate	Total US$'000	One year or less US$'000	1–2 years US$'000	2–5 years US$'000	More than 5 years US$'000
Repricing dates for assets/ (liabilities) which reprice before maturity												
Trading debt securities	N/A	—	—	—	—	—	5.87%	20,196	20,196	—	—	—
Bank loans and other borrowings	3.16% to 10.99%	(831,627)	(831,627)	—	—	—	3.23% to 8.00%	(523,813)	(513,923)	(9,890)	—	—
		(831,627)	(831,627)	—	—	—		(503,617)	(493,727)	(9,890)	—	—
Maturity dates for assets/ (liabilities) which do not reprice before maturity												
Deposits with banks	0.60% to 8.00%	3,033,947	3,033,947	—	—	—	0.60% to 7.25%	3,338,232	3,338,232	—	—	—
Trading debt securities	N/A	—	—	—	—	—	5.20% to 5.90%	38,951	—	—	2,896	36,055
Bank loans and other borrowings	3.23% to 10.75%	(1,209,207)	(42,406)	(150,140)	(482,753)	(533,908)	3.23% to 10.75%	(729,726)	(79,051)	(23,490)	(129,077)	(498,108)
		1,824,740	2,991,541	(150,140)	(482,753)	(533,908)		2,647,457	3,259,181	(23,490)	(126,181)	(462,053)
TOTAL		993,113	2,159,914	(150,140)	(482,753)	(533,908)		2,143,840	2,765,454	(33,380)	(126,181)	(462,053)

The Company	2007						2006					
	Effective interest rate	Total US$'000	One year or less US$'000	1–2 years US$'000	2–5 years US$'000	More than 5 years US$'000	Effective interest rate	Total US$'000	One year or less US$'000	1–2 years US$'000	2–5 years US$'000	More than 5 years US$'000
Maturity dates for assets which do not reprice before maturity												
Deposits with banks	1.75% to 5.42%	2,305,319	2,305,319	—	—	—	3.30% to 5.42%	3,000,165	3,000,165	—	—	—
Amount due from a subsidiary	3.375% to 4.85%	101,272	101,272	—	—	—	N/A	—	—	—	—	—
Held-to-maturity financial assets	8.20%	162,131	—	—	—	162,131	N/A	—	—	—	—	—
		2,568,722	2,406,591	—	—	162,131		3,000,165	3,000,165	—	—	—

40. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 30 June 2007 and 2006.

The fair value of the financial instruments is estimated using discounted cash flow analysis on the loan principal, including the interest due on the loans, based on current incremental lending rates for similar instruments at the balance sheet date.

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate the fair value due to the relatively short-term maturity of these financial assets and liabilities.

41. COMMITMENTS

(a) Operating lease arrangements

(i) As lessee

As at 30 June 2007, the total future minimum lease payments under non-cancellable operating lease are payable as follows:

	The Group	
	2007	2006
	US$'000	US$'000
Within 1 year	**83,165**	72,772
After 1 year but within 5 years	**302,523**	275,860
After 5 years	**1,753,526**	1,671,875
	2,139,214	2,020,507

The Group leases a number of properties under operating leases. The leases typically run for periods of up to thirty years, with an option to renew the lease after expiry date. Regular lease payment reviews are required by the majority of the lease agreements.

41. COMMITMENTS (CONT'D)

(a) Operating lease arrangements (Cont'd)

(ii) As lessor

As at 30 June 2007, the total future minimum lease payments under non-cancellable operating lease are receivable as follows:

	The Group	
	2007	2006
	US$'000	US$'000
Within 1 year	**9,662**	5,561
After 1 year but within 5 years	**10,329**	2,135
	19,991	7,696

There were also commitments in respect of foreign currency contracts relating to the normal operations as at 30 June 2007.

(b) Capital commitments outstanding not provided for in the final financial report

	The Group	
	2007	2006
	US$'000	US$'000
Authorised and contracted for	**7,280**	91,459

The commitment in respect of purchase of land by the Group was US$675.9 million (2006: US$212.1 million).

42. CONTINGENT LIABILITIES

(i) A subsidiary of the Group, BIL, had contingent liabilities of approximately US$5.1 million (2006: US$8.9 million) in relation to the guarantees of investment performance. In addition, BIL has given a guarantee to the owner of the 28 hotel businesses sold in 2002 that the aggregate Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of the business will not be less than US$65.5 million (2006: US$59.9 million) per calendar year (or pro-rata amount) thereafter until 4 April 2012. The maximum liability on any one year under the guarantee was US$65.5 million (2006: US$59.9 million) and the maximum aggregate liability under the guarantee was approximately US$131.0 million (2006: US$119.9 million). BIL's expectation is that the future annual EBITDA will be in excess of the guaranteed amount.

(ii) GuocoLand (China) Limited ("GLC"), the Group's subsidiary, had signed a conditional share acquisition agreement with Beijing Beida Jade Bird Company Limited ("BBJB") and its related corporations to acquire a 90% stake in Beijing Cheng Jian Dong Hua Real Estate Development Company ("Project Co") which owns the land use and development rights to a land parcel located along Dongzhimenwai Dajie in the Dong Cheng District of Beijing for a purchase consideration of RMB5.8 billion. GLC had paid RMB1.2 billion of the purchase consideration for a 45% interest in Project Co.

The balance purchase consideration of RMB4.6 billion will be paid in tranches upon, inter alia, receipt of requisite government approvals such as approvals for the increase of the share capital of Project Co, transfer of a further 45% stake in Project Co to GLC, and extensions of certain licences/approvals relating to the Dongzhimen Site. RMB580 million of the balance purchase consideration is payable only after satisfactory settlement of all outstanding and valid claims by SDB against Project Co.

The Project Co is a co-defendant in a civil litigation in Beijing, the PRC, brought by Shenzhen Development Bank ("SDB"). The claim by SDB against the Project Co appears to have arisen in connection with the claim by SDB against the guarantor of certain alleged loans granted by SDB to certain borrowers. The guarantor was a joint venture company between the Project Co and another party. The joint venture was subsequently cancelled. SDB has alleged that following the cancellation, the Dongzhimen Site intended to be acquired by the guarantor was instead acquired by the Project Co thereby reducing its paying power under the guarantee. SDB is seeking an order for the transfer of the Dongzhimen Site from the Project Co to the guarantor. As at the Latest Practicable Date, the claim by SDB against the Project Co is still pending adjudication by the People's High court of Beijing.

In view of the foregoing, and that:

(i) the last payment of RMB580 million of the consideration is payable after satisfactory settlement of valid claim against the Project Co;

(ii) BBJB and a subsidiary have given a warranty in the Share Acquisition Agreement that no damage or injury would be caused to the Project Co and its property due to the claim by SDB and have further agreed to bear all the consequences thereof and to pay for all costs, expenses and economic losses incurred or suffered by the Project Co arising from the claim by SDB; and

(iii) GLC has obtained a legal opinion from its PRC lawyers that SDB's claim against the Project Co does not have sufficient legal and contractual basis, the Company is of the view that based on latest available information, there is not likely to be any material financial impact on the Group.

43. MATERIAL RELATED PARTY TRANSACTIONS

(a) Banking transactions

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

During the year, 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 year and balance outstanding at the balance sheet date is set out below:

(i) Income for the year ended 30 June

	The Group	
	2007	2006
	US$'000	US$'000
Interest income	**484**	470

(ii) Balance as at 30 June

	The Group	
	2007	2006
	US$'000	US$'000
Cash and short term funds	**30,372**	629

(b) Management fee

(i) On 21 August 2001, the Company entered into a management services agreement with GOMC Limited ("GOMC"), a subsidiary of HLCM, for provision of general management services to the Group by GOMC. Total management fees paid and payable to GOMC for the year ended 30 June 2007 amounted to US$17,015,000 (2006: US$22,082,000).

(ii) On 14 February 2007, BIL International Limited ("BIL"), a subsidiary of the Group, entered into a management services agreement with GIMC Limited ("GIMC"), a subsidiary of HLCM, for the provision of general management services to BIL. Total management fees paid and payable to GIMC for the year ended 30 June 2007 amounted to US$155,000 (2006: US$1,100,000).

(iii) On 14 February 2007, Guoman Hotels Limited ("Guoman") (formerly known as Thistle Hotels Limited), a subsidiary of the Group, entered into a management services agreement with GIMC Limited ("GIMC"), a subsidiary of HLCM, for the provision of general management services to Guoman. Total management fees paid and payable to GIMC for the year ended 30 June 2007 amounted to US$662,000 (2006: US$167,000).

(iv) On 14 February 2007, Clermont Leisure (UK) Ltd ("Clermont") (formerly known as BIL Gaming Operations UK Limited), a subsidiary of the Group, entered into a management services agreement with GIMC Limited ("GIMC"), a subsidiary of HLCM, for the provision of general management services to Clermont. Total management fees paid and payable to GIMC for the year ended 30 June 2007 amounted to US$30,000 (2006: Nil).

(v) On 3 January 2005, GuocoLand (Malaysia) Berhad ("GLM"), a subsidiary of the Group, entered into a management services agreement with HLCM for the provision of general management services to GLM. Total management fees paid and payable to HLCM for the year ended 30 June 2007 amounted to US$210,000 (2006: US$31,000).

43. MATERIAL RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management personnel information

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in Note 9 and certain of the highest paid employees as disclosed in Note 10, is as follows:

	The Group	
	2007	2006
	US$'000	US$'000
Short-term employee benefits	**2,758**	6,298

Total remuneration is included in "staff costs" (see Note 7(b)).

44. COMPARATIVE INFORMATION

Certain comparative figures in the income statement have been restated to conform with current year presentation and there is no impact on the profit for that year.

45. PARENT AND ULTIMATE HOLDING COMPANY

The directors consider the parent company at 30 June 2007 to be Guoline Overseas Limited, which is incorporated in Bermuda and the ultimate holding company to be Hong Leong Company (Malaysia) Berhad, which is incorporated in Malaysia. These entities do not produce financial statements available for public use.

46. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING YEAR ENDED 30 JUNE 2007

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the accounting year ended 30 June 2007 and which have not been adopted in these financial statements:

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

	Effective for accounting periods beginning on or after
HKFRS 7, Financial instruments: disclosures	1 January 2007
Amendment to HKAS 1, Presentation of financial statements: capital disclosures	1 January 2007
HK(IFRIC) – INT 11, HKFRS 2 – Group and Treasury Share Transactions	1 March 2007
HKFRS 8, Operating Segments	1 January 2009
HKAS 23 (Revised), Borrowing Costs	1 January 2009

Major Development Properties of the Subsidiaries

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") date	Site area sq. m	Gross floor area sq. m	Group's interest %
Singapore						
Paterson Residence situated at Paterson Road	Residential	Superstructure & architectural works in progress	07/2008	7,774	16,327	64
The View @ Meyer situated at Meyer Road	Residential	Superstructure & architectural works in progress	02/2009	3,352	7,039	64
The Stellar situated at West Coast Road	Residential	Superstructure & architectural works in progress	10/2008	13,245	18,543	64
The Quartz situated at Sengkang Central	Residential	Superstructure & architectural works in progress	03/2009	21,985	65,956	64
Goodwood Residence situated at Bukit Timah Road	Residential	Planning	*	24,845	39,752	64
Malaysia						
Notting Hill situated at Mukim of Sg. Buloh, Selangor Darul Ehsan	Residential	TOP obtained in 11/2006	N/A	14,050	10,122	43
		TOP application in progress	08/2007	15,540	9,731	43
Site situated at Lot 322 Mukim of Hulu Kelang, District of Gombak, Selangor Darul Ehsan	Residential	Planning	*	47,307	41,805	43
Emerald 1B situated at Mukim of Rawang, Districts of Gombak and Ulu Selangor, Selangor Darul Ehsan	Residential	Pending building plan approval	*	189,990	108,254	43
Site situated at Old Klang Road, Mukim of Petaling Jaya, Kuala Lumpur	Residential	Piling works in progress	12/2009	4,047	29,479	43

Major Development Properties of the Subsidiaries (Cont'd)

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") date	Site area sq. m	Gross floor area sq. m	Group's interest %
Bukit Rahman Putra Site situated at Mukim of Sg. Buloh, Selangor Darul Ehsan	Residential	Various stages of completion	03/2008 to 03/2010	146,090	91,358	43
Site situated at Lot 3059, Mukim of Hulu Kelang, District of Gombak, Selangor Darul Ehsan	Residential	Planning	*	30,351	N/A	43
Site situated at Damansara Town Centre Kuala Lumpur	Commercial	Planning	*	34,438	217,265	43
Site situated at Geran No. 20438, Lot 36, Bandar Batu Ferringhi, Pulau Pinang	Residential	Planning	*	18,538	N/A	43
Site situated at Seksyen 9, Tempat Sungai Kantan, Kajang, Daerah Hulu Langat, Selangor Darul Ehsan	Residential	Planning	*	35,369	16,329	43
Site situated within Taman Mutiara Barat, Off Jalan Cheras, Kuala Lumpur	Residential	Planning	*	65,275	159,323	43
The People's Republic of China						
West End Point situated in Xicheng District, Beijing	Residential/ Commercial	Architectural works in progress	06/2008	36,501	140,326	63
Hillview Regency situated in Xuanwu District, Nanjing	Residential/ Commercial	Design planning and land resettlement in progress	*	296,002	484,279	63
Ascott Park situated in Qixia District, Nanjing	Residential	Piling works completed	03/2009	89,709	233,890	61
	Commercial	Design planning in progress	*			

Major Development Properties of the Subsidiaries (Cont'd)

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") date	Site area sq. m	Gross floor area sq. m	Group's interest %
Changfeng situated in Putuo District, Shanghai	SOHO/ Commercial	Phase 1 – Piling works completed	03/2010	143,845	494,239	64
		Phase 2 – Pending building plan approval	*			
Four Seasons situated in Nankai District, Tianjin	Residential	Design planning in progress	*	25,866	213,738	64
Vietnam						
Site situated in Thuan An District, Binh Duong Province	Residential/ Commercial	Design planning in progress	*	175,553	285,664	64
United States of America						
Denarau Island Resort situated in Western Viti Levu Molokai Island, Hawaii	Residential/ Tourism	Planning	*	N/A	N/A	52

* Not applicable as construction for these developments have not commenced.

N/A – not applicable

Major Properties of the Subsidiaries Held for Sale

Property	Intended Use	Site area sq. m	Gross floor area sq. m	Group's interest %
Singapore				
Le Crescendo situated at Paya Lebar Road	Residential	12,323	26,176	64
Shop unit at The Gardens at Bishan situated at Sin Ming Ave/Sin Ming Walk	Commercial	N/A	59	58
Malaysia				
3 Kia Peng situated at No. 3 Jalan Kia Peng 50450 Kuala Lumpur	Commercial	13,442	77,299	50
Sri Sentosa situated at Jalan Taman Sri Sentosa 58000 Kuala Lumpur	Residential	14,717	40,000	43
Mutiara Kompleks situated at 3 1/2 Jalan Ipoh 51200 Kuala Lumpur	Office	732	732	43
Bukit Rahman Putra situated at Mukim of Sg. Buloh, Selangor Darul Ehsan	Residential	9,339	1,649	43
The People's Republic of China				
Central Park situated at Luwan District, Shanghai	Residential	14,841	74,881	63

N/A - not applicable

Major Properties of the Subsidiaries Held for Investment

Location	Existing Use	Tenure of Land
Singapore		
Tung Centre 20 Collyer Quay Singapore 049319	Office building	999 years lease with effect from 5 November 1862
Lots 99951A, 99952K and 99953N Part of 61 Robinson Road Singapore 068893	Reversionary interest in freehold land	(Note)

Note: The Group sold its interests in a 98-year lease (with effect from 13 March 1998) in the freehold land on 31 July 2006 to a third party. Accordingly, the Group recognised its reversionary interests in the freehold land during the financial year.

Location	Existing Use	Tenure of Land
Malaysia		
Bangunan Hong Leong No. 117 Jalan Tun H.S. Lee 50000 Kuala Lumpur	Office building	Freehold
Menara Pandan Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur	Office building	99 years lease with effect from 25 March 2002
Hong Kong		
Overseas Trust Bank Building 24th to 27th Floors Penthouse and Car Parking Spaces nos. 9-14 on 2nd Floor 160 Gloucester Road Hong Kong	Office building	99 years lease with effect from 1 July 1927 renewable for a further term of 99 years
The Center 15th Floor 99 Queen's Road Central Hong Kong	Office building	From 24 November 1995 to 30 June 2047